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ABSTRACT

In both developing and industrialized countries, young people are highly exposed to unemployment. Over a cross-section of countries, the approximate ratio of youth to adult unemployment is two or three to one. Periods of unemployment tend to be shorter for youths. In developing countries, youth unemployment is higher among the less educated and less skilled. The high levels of youth unemployment can be attributed to the following: (1) certain inherent advantages that job holders have over entry workers; (2) slow economic growth; (3) differentials in the wage and other costs of employing youth compared with other workers; (4) technological change; (5) rate of growth of the labor force; (6) the role of the education and training system in influencing the quality of potential workers and their actual and perceived employability; and (7) mismatches between youth and work opportunities. Governments and other agencies have taken a number of measures to reduce youth unemployment. They have adopted nationwide policies adopted nationwide policies and designed specific employment programs, including temporary job programs, agricultural resettlement, national and community service, subsidies for self-employment, and training for young women. Young people can prepare themselves through vocationally oriented schooling and post-school or out-of-school training. Recommendations for action at the national, international, and Commonwealth levels are set in a framework of "entitlement for youth." (Appendixes include a summary of results of two surveys on youth unemployment.) (YLB)

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JOBS FOR YOUNG PEOPLE

A Way to a Better Future

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Report of a Commonwealth Expert Group

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Commonwealth Secretariat

Jobs for Young People: A Way to a Better Future

Report of a Commonwealth Expert Group

Commonwealth Secretariat
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Foreword by Commonwealth Secretary-General

Unemployment, particularly among young people, is a large and growing problem in very many countries, inside and outside the Commonwealth. In the developed market economies alone, in excess of 30 million people are presently unemployed. In the developing world, overt unemployment is growing rapidly with urbanisation while underemployment is widespread and deep-seated. And, high as the recorded overall rates of unemployment are in many countries, those of youth are typically at least twice those of adults.

Unemployment involves wasted resources, but it is also a wider human problem. The loss is not just economic. Youth is a period of transition from childhood to adulthood, of energy and of willingness to learn and to serve. With work, this can be directed towards a common benefit; without work, it is dissipated or even channelled into anti-social behaviour.

In developed countries youth unemployment has been the subject of increasing debate and analysis. Yet its solution is still elusive. In developing countries the problem is becoming even more serious and it is much less documented. It was, therefore, opportune that Commonwealth Heads of Government, at their meeting in Nassau in 1985, should have asked me to constitute an Expert Group on the subject. I was fortunate to be able to assemble a very distinguished group of men and women, from all regions of the Commonwealth, who could bring their considerable experience of employment and labour, education and training, and youth affairs, to bear on the issues involved. The Group's Chairman, Mr Peter Kirby, had previously led a comprehensive investigation into the Australian labour market. He is closely associated with the day-to-day employment and labour problems of Australia, where he is Deputy Director-General of the Department of Labour in the Government of Victoria.

One of the Group's basic conclusions is that youth unemployment cannot be solved independently of the wider problem of general unemployment. In the case of developing countries, demographic factors seem bound to accentuate an already huge problem unless the rates of labour absorption increase considerably over the next few decades. This requires not only faster economic growth but more employment-oriented strategies of development, particularly geared to maximising employment opportunities in agriculture and the urban informal sector.

The Group placed considerable emphasis on appropriate education and training, suggesting the adoption of the concept of a 'Youth Entitlement' in which Governments would take full responsibility for ensuring that all young people are given adequate preparation for work and adult working life. Clearly the form of an 'entitlement' will vary considerably according to individual countries' resources; in developed countries there is already a growing acceptance of the need for education or training opportunities to be available up to 18 at least, while in many developing countries the priority needs are for basic literacy and informal sector or agricultural training.

At their meeting in June 1987, Commonwealth Employment/Labour Ministers studied the Expert Group's Report. They endorsed the Report's general approach and welcomed the proposal for a Youth Entitlement. They also endorsed the Report's recommendations for Commonwealth cooperation and expressed the belief that it provided an opportunity for the Commonwealth Secretariat, in association with other agencies concerned, to make an important contribution to international action in the promotion of youth employment. Finally, Ministers commended the Report to Commonwealth Heads of Government and asked me to give it wide circulation.

It gives me great pleasure to present this Report to Commonwealth Heads of Government and to make it available to the international community.

SHRIDATH S. RAMPHAL

Letter of Presentation

Marlborough House,
London, SW1.

24 April 1987

H.E. Mr S. S. Ramphal,
Commonwealth Secretary-General,
Marlborough House,
Pall Mall,
London, SW1.

Dear Secretary-General,

In accordance with the wishes of Commonwealth Heads of Government when they met at Nassau in 1985, you appointed us as a group of independent experts, chosen from diverse backgrounds, to examine and report on youth unemployment. We now present our Report, which we have signed in our personal capacities and not as representatives of the governments, organisations or countries to which we belong.

The problem of unemployment and underemployment, with its devastating psychological, social and economic effects for many young people, will be with many countries for many years. It could even get worse in many developing countries. It will require continuing priority attention, not only in itself but also in the wider context of general unemployment and underemployment.

We would like to express our appreciation to you for your confidence and trust in appointing us to undertake this task, and our thanks to your staff for their ready administrative and technical support in helping us to fulfil it.

Please accept, Secretary-General, the expression of our highest consideration.

Peter Kirby

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Preface

Concern over high levels of unemployment has been voiced at all meetings of Commonwealth Employment/Labour Ministers since the inception of these meetings in 1982. Particular disquiet has been expressed over trends in unemployment among young men and young women. This concern has been widely shared, and the June 1986 International Labour Conference devoted several sessions to the problem of youth unemployment. Earlier, at their Nassau Meeting in October 1985, Commonwealth Heads of Government had approved the establishment of an expert group to study the subject. They asked the Commonwealth Secretary-General to consider, in consultation with member governments, the modalities and terms of reference of such a group, whose members should make a detailed report to Employment/Labour Ministers at their 1987 meeting. This report should be such as to enable Ministers to advise Heads of Government.

The Secretary-General drew up draft terms of reference for the study (see Appendix I), and in early 1986 circulated them to governments for approval. Those governments which responded generally approved the draft; several suggested particular areas which they would like to see emphasised, and these have been taken into account in the subsequent work. Our Group was constituted in April 1986 and met first in June of that year. We had two further meetings and at the second of these we finalised our Report in April 1987.

In addition to the assistance provided by the staff of the Commonwealth Secretariat, we were able to call on the services of two consultants—Prof Ian Livingstone of the School of Development Studies, University of East Anglia and Dr Khairani St Clair, an expert in education planning. We wish to express our thanks to them all.

Very early in our deliberations, we felt the need to establish contact with young people and their organisations to ascertain their views on the matters we were asked to investigate. At our request therefore the Secretariat carried out two surveys. The first was by means of a questionnaire sent to selected recipients of the Commonwealth Youth Programme's quarterly *News Service*. The second was conducted through interviews with a sample of youth in the rural and urban areas of four selected Commonwealth countries—Barbados, Fiji, India and Nigeria. These were not intended to be exhaustive scientific statistical enquiries. Time and resources did not permit such an approach. While the findings were too tentative to be included in the body of our Report, we nevertheless found them useful and present a summary of them in Appendix II.

Youth unemployment is a crucial segment of a larger problem—that of general unemployment. The alleviation of this requires a variety of policies including some, like those relating to education and training, whose effects are indirect. But in our view the basic solution to unemployment of youth and other members of the labour force must be sought in the enactment of policies and the introduction of measures to promote faster growth and they must involve measures which do not discriminate against labour absorption including youth employment.

At present the problem of youth unemployment is common to both developed and developing countries of the Commonwealth. Within the two groups of countries youth unemployment exhibits many similarities. In developing countries, however, the problem is much larger, more long-term and could worsen. We consequently devoted greater attention to the employment situation and prospects in these countries.

The Report which follows has four chapters. In Chapter 1 we provide a summary of the issues and our conclusions. In Chapter 2 we consider in more detail the incidence, duration and other characteristics of youth unemployment; its social and economic effects; and the prospects for youth unemployment. Chapter 3 examines the causes of youth unemployment, our analysis being conducted principally in terms of the quantitative and qualitative aspects of the demand for and supply of young people's labour, and mismatches between the two. The final chapter assesses some of the policies and measures governments and others have taken to reduce youth unemployment, and from this analysis we make suggestions for action at the national, international and Commonwealth levels. Our recommendations are set in a framework of an 'entitlement for youth', to which we attach great importance. This entitlement would provide a means by which Commonwealth governments could give expression to their concern and coordinate their policy response. Together with recommendations on education and youth training and temporary work schemes, it represents the core of our proposals.

Our Report is addressed primarily to governments, who largely determine the macro-economic environment in which employment takes place. But throughout our work we have borne it in mind that in most

Commonwealth countries it is the corporate sector, entrepreneurs, the informal sector, trade unions, and cooperatives whose initiatives and enterprise can do most to provide a solution to youth unemployment. But governments must provide the lead, establish and maintain a propitious environment and give direct assistance. Young people should be actively involved at all stages.

Finally, we have been conscious of the need to place our study in the context of other work recently and currently being undertaken by the Commonwealth Secretariat—for example, into the problems of management of technological change, the role of women in development, African agriculture, distance-learning, and small states—and, of course, of the limited time, data and resources available to us to examine the problem in an exhaustive way. Nevertheless, we hope that this Report will be a useful contribution to a better understanding of the issues involved and to the necessary remedial action.

Chapter 1

Youth Unemployment: A Summary of Issues and Conclusions

Introduction

1.1 Few countries in recent years have escaped the scourge of large-scale unemployment. There are now over 30 million unemployed in OECD countries and much larger, but uncounted, numbers are fully or partially unemployed in the villages and cities of the Third World. The incidence of unemployment in the Commonwealth, developing and developed, is at least as great as in the rest of the world.

1.2 Youth unemployment has come to be recognised as a serious problem in its own right. As newcomers to the labour market, young men and young women have particular difficulties getting established in work. In almost all developed and developing countries they experience a significantly higher rate of unemployment than other age groups.

1.3 There are major differences between countries in the level and type of youth unemployment, and its causes, particularly as between developed and developing countries. Nonetheless there is also much in common and many lessons to be learnt from comparing experiences at the level of policies, programmes and practices. We believe that the Commonwealth, with its diversity and its network of shared institutions and personal contacts, is well placed to further such sharing of experience.

How Much Youth Unemployment?

1.4 It is not possible to quantify youth unemployment at all precisely. Statistics are invariably patchy. There is moreover ambiguity over the meaning of employment: in developed countries an increasing proportion of paid word is part-time; in developing countries many work seasonally or spasmodically depending on the rhythm of agriculture and, increasingly, tourism, and more generally on the adequacy of employment opportunities; in both, the hardest work is often done, unpaid, at home. The boundaries of childhood and youth, youth and adulthood, are imprecise and conventions differ. The concept of 'youth unemployment,' therefore, begs many questions about the nature of youth and work. The fifteen year old Indian child of a landless labourer looking for casual work on a farm has little in common with a twenty-four year old British PhD registered as unemployed while looking for a high paid job appropriate to his or her qualifications; but both could be described as 'unemployed youth'.

1.5 What is incontrovertible, however, is that, in both developing and developed countries, young people are highly exposed to unemployment. Over a cross-section of countries, there is an approximate ratio of two or three to one between the rates of youth and adult unemployment. In a survey covering 14 Commonwealth countries we found that young people averaged over half the total recorded as unemployed. One mitigating factor however is that periods of unemployment tend to be shorter for youth than adults. Also, the relative position of youth in relation to other unemployed groups has been improving, over the last half decade, in developed countries, because of demographic factors and larger numbers entering further education or special youth employment schemes.

1.6 In developed countries it is invariably the case that youth unemployment is higher among the less educated and less skilled, and is often at its most severe among racial minorities and other disadvantaged groups. In developing countries, such comparisons are likely to be less informative since they relate to the, often untypical, fraction of unemployment which is 'open' and urban. But, in as much as the figures are meaningful, they show a particular employment problem in many developing countries for young women and the unskilled, and in some cases also for the highly educated.

Why Does Youth Unemployment Matter?

1.7 The waste and the hurt of unemployment are not exclusive to youth. All unemployment is wasteful of human potential. All unemployment can be deeply humiliating for the individual. For the adult, unemployment can mean poverty for a whole family. For the older worker it can mean the writing off of a lifetime's accumulated skill or experience, and premature ageing. For young people, there are particular reasons for concern. Unemployment impairs the transition being made from childhood to adulthood; from dependence to independence. The consequences of young adults being undervalued, and offered no future and no opportunity to exercise choices, can be serious for society and for the individual, both in the short and in the longer term. Though cause and effect are often interwoven in complex ways, unemployed young people are more likely than employed young people to be physically and mentally ill; to attempt suicide; to become involved in criminal activity, drug use and abuse.

1.8 The economic, and psychological, costs of unemployment are usually privately borne. But there are costs to society as a whole. There is the loss of production. For the state there is a loss from benefits paid and taxes not collected. Specifically in relation to youth, the direct economic costs may be less than for other unemployed, but the indirect costs, in economic and social terms, and the long-term waste of human potential may be much greater. In developed countries high levels of youth unemployment can be deeply divisive of society; in developing countries, where the youth population is proportionately much larger, they can be even more serious.

What Causes Youth Unemployment?

1.9 This question subsumes two others. What has caused unemployment to rise generally to such high levels? And why is youth unemployment relatively higher than unemployment as a whole? We have no mandate to deal comprehensively with the first, though the issue cannot be avoided since youth unemployment is as serious as it is, mainly because the overall context is one of high unemployment. In respect of both questions, but especially the larger one, we also have to distinguish between the position in developed and developing countries, and different categories of these countries.

1.10 The high levels of youth unemployment relative to overall unemployment can be explained partly in terms of certain inherent advantages which job holders have over those joining the labour market for the first time. The mere fact of a lack of work experience is a disadvantage for young people competing with those who have accumulated knowledge, experience of work discipline and varying degrees of job security. The disadvantage of the newcomer to the labour market is considerably increased where the work is skilled. In the developed countries, especially, the skill levels demanded of young people are rising, as employment growth is concentrated on the service sectors, particularly information-intensive activities, which demand a high level of personal initiative and expertise. Acquiring these skills requires much prior investment by the state or private employers in training or vocational education. In those countries, such as Germany, which have invested heavily in vocational training and further education, the differential between youth and other unemployment seems to be significantly lower.

1.11 We would stress that the above factors apply largely in developed countries and the formal sector of developing countries rather than in a context where most new job opportunities are in agriculture or the informal sector (that is, the part of the economy populated by very small entrepreneurs and effectively operating outside the formal framework of contracts, taxes, inspectorates and other forms of government regulation). Yet it is invariably true that newcomers to the labour market, especially young people, will have particular difficulty in finding work—unless specific action is taken to assist them—where, as in the big cities of developing countries, demographic pressures are causing a rapid explosion of the labour force or where job opportunities are falling because of sharp recession or structural decline in a particular region (as in the old industrial areas of Britain).

1.12 This raises the question of why the labour market does not adjust to reflect the relative disadvantage—actual or perceived—to employers, of hiring young people. There is a controversial debate, mainly in OECD countries, about cost factors as an explanatory factor in relatively high rates of youth unemployment. We find the evidence inconclusive, especially in relation to wages. It is, however, unlikely to be helpful to employment when labour is taxed through payroll taxes or other indirect costs—such as national insurance charges on employers—and it is likely to be a disincentive to employing young people if these costs are levied on a flat-rate basis.

Crisis of Slow Growth

1.13 The broader problem of general unemployment levels reduces, essentially, to slow economic growth, often caused or aggravated by poor economic management. While productivity growth is itself a function of overall economic growth, the trend growth of labour productivity has recently been around 2 to 3 per cent—and is perhaps increasing because of technological change. In many developed countries, especially in Western Europe, there has not been the expansion of output necessary to sustain full employment. There has been growing difficulty in reconciling the objectives of economic growth, full employment and price stability as well as dealing with structural imbalances in the world economy. Furthermore, there has been, again especially in Western Europe, a growing element in unemployment which could be called 'structural'; that is, caused by a failure of adjustment to rapid technological change, to changing international competitiveness, and to changing regional patterns of employment and lack of effective policies to counter skill and locational 'mismatch'.

1.14 The slow growth and other disorders of the developed countries' economies have transmitted themselves to the developing countries through depressed commodity prices, growing protectionism and the heavy interest burden on debt. In Africa and in Latin America, especially, the crisis in the world economy has contributed to serious recession. In large numbers of developing countries, possibly a majority, per capita incomes have fallen. Unemployment, especially in the big cities, has become markedly worse. It is estimated that, to absorb the rising labour force in meaningful work, economic growth in most developing countries must be 5 to 6 per cent—bearing in mind the underlying trend growth in industrial and agricultural productivity. In the 1980's, growth has been half or less of this level (outside of Asia).

1.15 The difficulties are, of course, not all external. Many developing countries have deep-rooted problems. These arise on the one hand from a rapidly rising labour force, a product of demographic pressures, and on the other from a basic lack of resources for investment, together with skill, management and infrastructure bottlenecks. There has often also been misdirection in their development effort. In parts of South and East Asia, there have, however, been growing signs of hope that new technologies allied to good economic management can produce a breakthrough in agricultural growth that can raise living standards and help absorb surplus labour. In some countries effective population policies, heavy investment in schooling and training, and policies designed to maximise the opportunities for labour-intensive manufactured exports, have contributed to major economic advances and falling unemployment. But such countries are few and their success is still not firmly established. At the other extreme, in sub-Saharan Africa, a combination of rapidly rising population, agricultural stagnation and balance of payments pressures has produced a profound crisis of development, of which unemployment is merely one facet. Policy reforms are taking place but in the absence of adequate financing and with weak scope for increasing exports, structural change has sometimes aggravated recession and unemployment.

1.16 It follows from the above that the problem of youth unemployment cannot be resolved in isolation from wider economic problems of slow economic growth and underdevelopment. In particular it is absolutely crucial that action is taken to remove the constraint imposed on the growth of developing countries by declining net flows of resources and by protectionist barriers against labour-intensive exports.

Towards Employment-Oriented Strategies

1.17 In developed countries there are two major areas in which greater priority can be given to employment, including youth employment, without adversely affecting other economic objectives. The first is where there is substantial *long-term unemployment*. Usually, the long-term unemployed no longer compete for work; they are concentrated in regions of industrial decline or inner city ghettos. Lacking confidence, with redundant skills and often immobile, they are the last to benefit from general economic revival and the free workings of the labour market. But, by the same token, it does not add to inflationary pressures if they are found work. There is now a growing recognition in industrial countries of the need for priority action to assist the long-term unemployed through a 'job guarantee', or programmes of community work, counselling and retraining. Targeting may, however, be necessary and it is important that some programmes be directed to long-term unemployed young people, who often suffer additionally from racial or other disadvantage. A second priority area is to remove barriers to the absorption of the unemployed through the labour market. For example, in some countries, labour, and particularly youth labour, is 'over-priced' because of payroll taxes and other charges on employers, while capital is subsidised by investment incentives. This makes no sense. A policy of *reducing taxes on employment and subsidies to capital*—on a selective basis by region and to favour youth—would have indirect but considerable benefits.

1.18 In developing countries, the adoption of more employment-intensive patterns of production has to start with a recognition that, for most of them, the main sector for absorbing labour is *agriculture*. Thus, an employment-based strategy for development is, first and foremost, one which removes the urban bias which has acted as a disincentive to agriculture, especially small-scale family farming, and rural development generally. There are now encouragingly large numbers of examples of how a combination of price incentives for agricultural production, rural credit, extension and other support services can greatly stimulate rural employment. In some developing countries, far-reaching policy changes in this direction are now taking effect in the context of structural adjustment programmes. But in many there is still a need to improve the access to land, particularly in respect of youth.

1.19 The *informal sector* has traditionally not received the attention it deserves in development. The massive explosion taking place in the growth of third world cities demands that this neglect be repaired. There is now a growing understanding of how, through developing the skills and entrepreneurial capacity of the poor and meeting their basic needs, the informal sector can become a powerful agent for labour absorption, even though much of it would represent underemployment. But much more needs to be done to understand the workings of the informal sector and to assist it through credit, training and infrastructure development. Further, in developing countries, even more than in developed ones, there is also a need to remove the distortions in credit markets, labour costs, taxes and other factors which encourage the adoption of relatively

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capital-intensive technologies at the expense of more *appropriate labour-intensive ones*. Measures such as these will contribute towards creating an environment in which young people (and others) are able to help themselves create opportunities and undertake productive activities.

Specific Labour Absorption Schemes

1.20 There is now a considerable fund of experience in developed and developing countries of more specific job creation schemes which complement the broader policy measures described above. Where central, or local, governments have assumed responsibility, experience has shown the necessity of resolving various problems with special schemes: to ensure that work is useful, and seen to be so; to incorporate a meaningful training element; to avoid the conscription and exploitation of labour in line with ILO standards; and to ensure a successful transition from schemes to the 'open' labour market.

1.21 In developing countries, many attempts have been made to match development needs with the underused resource of labour. In practice, however, there are formidable problems of organisation and incentives. Among the more successful schemes are those which have tried to organise physical work—road building, land clearing, tree planting, irrigation construction—for the destitute and unemployed. But in many countries these schemes are infrequent, pay only low wages and are sometimes linked to political patronage. Any success they claim may thus be limited.

1.22 A different approach, but specifically directed towards youth, is the concept of national service (which may also have military or political objectives). In some cases, as in Botswana, the aim is to tap the resources of educated youth to help promote literacy and other developmental work. Another variant is represented by national service schemes such as the Malawi Young Pioneers which have been helpful in promoting agricultural and technical training for youth, and using youth to disseminate better practices more widely. In these cases, however, employment generation for young people is not the central objective.

1.23 Experience has also taught lessons of what to avoid. Large-scale agricultural resettlement schemes have sometimes been successful but are usually a very expensive way of creating employment, especially in the short term. Expanding the civil service or public works programmes can only help if they are well targeted and efficiently organised; otherwise they impair economic efficiency and adversely affect the smooth functioning of labour markets.

Reducing the Pressures

1.24 Youth unemployment is easier to handle if the numbers joining the labour market are reduced. One way this can happen is if more teenagers stay on at school or attend secondary or higher education institutions. This may be a desirable social, and long-term economic, objective in any event. But it is an option less easily available to most developing countries where resource constraints are more severe. Nonetheless, there is evidence that a growing proportion of developing country youth is completing secondary schooling, so reducing pressure on jobs and helping to make school-leavers more adaptable when they join the labour market. Extending education does, however, tend to raise expectations, particularly when it results in higher qualifications, and for some young people it may only postpone unemployment rather than help provide a remedy.

1.25 A longer-term consideration for many developing countries is that demographic pressures are directly related to the excess supply of young workers; in other words population growth needs to be reduced. However, this is a long-term remedy and there is now enough experience of family planning programmes to know that exhortation and incentives will rarely suffice in the absence of parallel improvements in living standards, literacy and the status of women.

1.26 'Job-sharing' is often advanced as a possible approach. This happens spontaneously and voluntarily in any event through the subdivision of labour in underemployment and part-time work, and through market processes generally. More formal arrangements are less helpful to economic growth and development and social welfare than are efforts to create employment. Arbitrary increases in public sector payrolls, for example, diminish efficiency without creating sustainable employment. And, in any event, they merely disguise rather than solve the underlying problem of imbalance between the supply of and demand for labour. Similarly, such devices as early retirement of older workers may be desirable if they involve lifting barriers to voluntary action (by, for example, guaranteeing pension entitlements to those wanting to retire early). But, if pressed further, they merely transfer the burden of unemployment from younger to older workers who may be less rebellious but also have less resilience.

Education and Training for the World of Work

1.27 Our recommendations on education and youth training, together with the Youth Entitlement (see para 1.37 below), represent the major thrust of our proposals. While we recognise that any investment in education and training is costly in the short term, we would stress that it will, if properly designed, pay for itself in higher economic growth in the long term.

1.28 Education can provide life-skills—such as numeracy, literacy, adaptability, enterprise and personal effectiveness—which enable young people to learn specific vocational skills and to obtain or create work. Training which is job-specific falls more within the responsibility of employers than governments. But individual private firms will often under-invest in training since the benefits are likely to be shared with other enterprises; unless, therefore, they are encouraged or obliged or are willing to provide training for new recruits, and governments do more, the responsibility will be neglected and there will be a continuing mismatch between the supply of and demand for skilled labour. In the case of small-scale farming or informal sector crafts and businesses, only the state in practice can ensure the provision of training beyond what is learned informally at the work-place.

How Much Education?

1.29 We believe that, where circumstances permit, it is desirable to make available some form of education and training, part-time or full-time, until age 18 so that early school-leavers, in particular, do not drop out of the structured world of compulsory schooling into a vacuum—without a job, without training and without counselling. Some developed countries, such as Germany, Japan and Sweden, have moved well along the road of providing this form of 'guarantee', and their experience could be emulated by others which have the necessary resources.

1.30 In most developing countries, such objectives are not immediately practical because of severe resource constraints. Any attempt to extend formal higher education, for example, would, in all probability, be restricted to a small elite and, in any event, much of the low-quality liberal arts education often offered does not help educated youth to become employable. This means that priority has to be given to improving the quality of basic schooling and particularly the attainment of basic literacy and numeracy so that early drop-out from school, especially by disadvantaged children, can be minimised. (It could be argued, too, that a stress on basic literacy and numeracy combined increasingly with early familiarity with computers is no less necessary in developed countries.)

1.31 Since many young people do leave school at an early stage we think it especially important to extend the coverage and effectiveness of *post-school opportunities for learning.* Even where young people are entering farming and informal sector activities, early school-leavers or drop-outs require continued support to develop their literacy, numeracy and work-related skills. In both developed and developing countries, there is a need to develop the concept of *continuous education and adult retraining* to give an opportunity for early leavers to upgrade their education and skills. The growing technological possibilities for self-paced and distance-learning offer enhanced opportunities for independent study and make much more flexible structures of education and training increasingly feasible.

1.32 Between formal education and the world of work it is increasingly recognised that there is an important transition usually, but not always, coinciding with adolescence. The issue that arises for policy-makers is how to ease this transition through a variety of means which include vocationally-oriented education, further education and work experience with specific skill training. As to the first of these there is much controversy about how much schools should become involved in *vocational education*. But we believe vocationally-oriented forms of education—albeit directed towards general life-skills rather than narrowly specific skills—are vital in bridging the gap between school and work. If such education is to be widely diffused, we would give priority to a 'prevocational' component in the curriculum of a wide range of pupils, preferably drawing on local resources and emphasising practical activities of local importance, such as agriculture. We do not however minimise the operational difficulties. Some high profile programmes have failed. What is called for is the gradual introduction of carefully developed and well tested curricular materials supported by in-service teacher training; in relation to developing countries this includes a need for innovative work in low-cost technologies.

Post-School Training

1.33 There is considerable experience in many developed countries of mechanisms to bridge the 'age-employability gap'—the transition between school and work. The traditional apprenticeship system performed this role, augmented in some cases by part-time further education. More recently schemes such as the Youth Training Scheme in Britain have sought to fill the gap left by an insufficient supply of training placements. The application of this kind of approach in the context of the informal sector and traditional agricultural employment in developing countries presents considerable problems, however. Here, training needs to be more closely linked with emerging patterns of employment. Many such countries require assistance in *assessing training needs* and *planning training projects*. Considerable work has been done to develop cheap, non-formal, training techniques. But much more effort is needed to disseminate these methods or they will remain unknown to many grass-root organisations engaged in training.

Young Entrepreneurs

1.34 Self-employment, often family-based, has always been the dominant form of economic activity in peasant farming societies.

Governments in developed and developing countries are relying more on entrepreneurs—large and small—to be the main driving force behind development and job creation. Schemes are being established to help small business. The financial requirements of these schemes as presently operated are, however, usually outside the means of most unemployed youth. One way of promoting entrepreneurship and enterprise, while also creating employment for young people, is to relax these financial requirements and extend the assistance given under the schemes. Where such schemes have a crucial role to play in developing countries is in providing credit and extension services to young artisans and others establishing craft enterprises, as well as to small farmers. This can help young people to harness their creative endeavours to undertake productive activities.

Mobilising Support

1.35 To carry through a far-reaching expansion and reorientation of education and training, and to create and meet the Youth Entitlement which we suggest below (para 1.37), will require a political will over a substantial period of time. For this reason, we stress the need for government efforts to be supported by those of employers and trade unions on a tripartite basis. A good deal of training, in any event, already takes place through non-government channels. But, while major employers and trade unions can play a useful role in supporting the informal as well as the formal sector, much responsibility in this area will inevitably devolve on grass-root community and voluntary organisations, and we would stress the importance of these in relation to youth.

Commonwealth Cooperation

1.36 What emerges clearly from the surveys we have carried out is that there is a large information gap, and in particular a lack of documentation and evaluation of strengths and weaknesses of specific employment creation schemes and employment-related education and training initiatives. There is often little knowledge among youth of employment programmes within countries while policy-makers lack awareness of successful initiatives in other countries. We believe that by utilising the Commonwealth's institutional and personal links much more can be done by way of *research, documentation and dissemination of information,* and *exchanges of experience* among policy-makers and programme managers in different countries; there may also be opportunities for the collaborative development of teaching and training aids for developing countries. We believe the Commonwealth Secretariat can play a specially useful role through the creation of a data-base on youth employment and an *expanded Youth Programme,* concentrating on employment initiatives. We suggest, in particular, a *Youth Enterprise Fund* designed to help young entrepreneurs who lack capital, skills and experience.

A Youth Entitlement

1.37 We have sketched out above a rationale for targeting employment-creation measures on youth. We suggest that priority for young people and recognition of their need for a role and status in society can be effectively captured by means of a Youth Entitlement. Its basic principle would be to ensure that all young people are given adequate preparation for work and adult working life. The 'Entitlement' would cover the set of services and institutional arrangements which assist young people to make the transition from school into the world of work. It would be public acknowledgement of the special place of youth in society and of the importance and value of these services as an element in public policy and public expenditure.

Looking to the Future

1.38 We must conclude by warning that the severity of youth unemployment problems today pales to insignificance beside those which could be faced in the future. We stress that the problem is largely one facing developing countries. In developed countries, youth unemployment should be manageable with the resources available and the experience gained in employment and training programmes. The youth population of these countries is projected to decline by over 10 million, 6 per cent, by the end of the century. For these countries, the problems will essentially be of pockets of unemployed youth in inner cities and declining regions. This is not to say that there is not a major problem in ensuring that education and training constantly adapt to new technologies and other structural changes, and to the needs and aspirations of young people.

1.39 Developing countries, by contrast, face a problem of escalating proportions. Their youth population is projected by the ILO—on the basis of demographic trends—to rise by more than 125 million by the end of the century (over 16 per cent). In Africa the projected increase is 60 per cent; and the youth population could triple in the next forty years from the present level of just over 100 million. The population increase in urban areas might be even more dramatic since the natural increase could continue to be augmented by rural-urban migration. By 2000, half the youth of the developing world might live in cities; the ratio could be almost 80 per cent in Latin America. There will be a massive increase too in the number of educated youth. School enrolment in developing countries has grown from 400 million in 1970 to 650 million today and is spreading fast despite severe resource constraints.

1.40 The prospects are, in one sense, alarming. But, looking to the future, the energies and economic potential of youth should be seen positively as a potentially dynamic element in growing economies rather than merely as a 'problem'. If societies are willing to invest in youth it will repay that investment many times over.

Chapter 2

The Challenge of Youth Unemployment

2.1 High levels of unemployment are a persistent and major problem in the world and a growing one for many countries. In virtually every country, developed and developing alike, the rate of youth unemployment is several times higher than that of adult unemployment. A substantial proportion of those unemployed are young people—more than 60 per cent in some developing countries. In the developed countries, it is widely believed that inherent features in the labour market tend to discriminate against new entrants, reducing their access to employment. In the growth sectors of those economies there is evidence of a declining interest in employing youth (in contrast to pre-recessionary periods), partly because of the apparent, and sometimes imagined, higher costs involved in employing inexperienced workers. There is also concern that a fundamental change may be occurring in the labour market itself which necessitates higher skill requirements. In the developing countries, higher rates of population growth mean that, over and above the large numbers of youth currently unemployed, many more young people are expected to enter the labour force in the near future. These will be particularly concentrated in certain geographic regions such as Africa and in many of the large urban areas[1]. It may become increasingly difficult to absorb them, as in the past, in agriculture; but under current economic conditions, they have little prospect of finding employment outside this sector, other than in the urban informal sector. However, without faster economic growth than has recently been achieved, this merely means more underemployment, reduced incomes, more deprivation and increased disaffection.

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[1] See paragraph 2.7 and Tables 12, 13 and 14 (pages 48–50—all tables are to be found at the end of the chapter).

2.2 There are some important definitional issues to resolve. Who are youth? The transition from youth to adulthood is reached at different ages in different countries depending on various economic and social factors. In this Report we define youth as the 15 to 24 year-olds (see Box 1, page 19). We also need to point out the difficulties in determining the extent of unemployment and underemployment, especially in developing countries, and to define what is meant by 'work' in this Report. Serious measurement problems arise in determining the size of the labour force (particularly in the developing countries), since many people may be excluded by the conventional definition although their activities contribute to economic welfare. It is also difficult to determine the employment status of many of those in the labour force. Many are 'underemployed', in the sense that they are utilised for less than normal working capacity, sometimes through part-time or seasonal work, or are working long hours while receiving less than subsistence incomes. These issues are considered further in Box 2 on page 20.

2.3 The difficulties of using published statistics on (open) unemployment as indicators of the actual position in developing countries can be illustrated by reference to one Commonwealth country—Tanzania. Here, according to one survey, the *open* unemployment rate in the mid-1960s was 7 per cent for urban areas and 4 per cent for rural areas; *visible* underemployment (i.e. those persons who were working, but who would have liked to have worked longer hours at prevailing conditions) was estimated as adding a further 4 and 15 percentage points, respectively, and *invisible* underemployment (characterised by underutilisation of skills, low productivity or low income) another 5 and 55 percentage points, respectively. Although the survey is very dated, there is no reason to think that more up-to-date statistics would show a significantly different position, while a broadly similar picture would probably emerge from many other developing countries. Published data on open unemployment of youth (and of others) are thus grossly misleading. Notwithstanding this, there are a number of useful insights to be derived from these figures, as the following section shows.

1. Overview

2.4 In developing countries the nature and especially the extent of open unemployment—including youth unemployment—can vary widely according to the stage of development and other characteristics of the country. As far as Commonwealth developing countries are concerned, officially recorded youth unemployment rates vary from over 40 per cent to under 3 per cent. Nonetheless there are many features in common: (i) youth comprise the largest proportion of the unemployed, when categorised by comparable (ten year) age-bands, in all countries for

Box 1: Youth

Defining the age boundaries of 'youth' is not at all straightforward although there are some common characteristics which delineate the group. The most significant characteristic is the transition from childhood and dependence to adulthood and independence and the assumption of a more active and responsible role in society. Youth is not a homogeneous group; rather it is made up of young people of diverse socio-cultural and economic backgrounds, from countries or regions at different stages of development.

Each society has different roles for youth and adults, and different ages at which 'adulthood' is reached. The latter is affected, for example, by the period of statutory schooling, by access to higher education and training, by minimum age for admission into employment, gaining voting rights, owning property, acquiring credit, etc. 'Youth' can include young people of such widely different experience and attributes as the 15 year old urban slum dweller who has eked out a living since the age of nine or ten and the 24 year old university student whose entire life has been sheltered in an academically-oriented environment.

Most definitions include all those between the ages of 15 and 24 years (inclusive). These limits are necessarily arbitrary. In developing countries many young people begin work before the age of 15. But they could be defined not as 'youth' but as 'child labour', since many countries (e.g. signatories to the ILO Minimum Age Convention) have legislation setting 15 years as the minimum age for entry into employment—though this legislation invariably excludes the vast majority of the child working population who are employed on family farms or in artisan crafts.

The boundaries of 15–24 years have generally been used in this Report to categorise 'youth'. Where possible, a distinction has been made between teenagers (15–19 year-olds) and young adults (20–24 year-olds). However, it has not always been possible to be consistent, and other conventions are indicated in the text or in footnotes.

Box 2: Unemployment, Underemployment and Work

The problems of quantifying unemployment are considerable, and in the developing countries become almost insuperable. Conventional labour force concepts, including the standard international definition of (open) unemployment, have been derived largely from conditions in the labour markets of developed countries, and have therefore largely failed to capture many of the features that characterise the developing countries.

Conventional definitions of the size of the labour force try to distinguish between the 'economically-active' and 'economically-inactive'; but this is not straightforward in countries in which many people are working in activities which, while not making them eligible to be called 'economically-active', nevertheless contribute to economic welfare. The concept of 'work' is taken here to refer to economically-productive activities in their widest sense (including fetching water, collecting firewood, trapping animals, protecting crops, or undertaking unpaid community development work like filling ditches, cleaning water tanks), rather than necessarily to 'jobs' or still less to wage employment (which occupies only a minority of the labour force of many developing countries). Determining the size of the labour force is a problem not only in rural areas where subsistance activities are prevalent but also in the urban, informal sector where there is a preponderance of self-employment and casual and unpaid labour.

Other problems are encountered by the conventional sub-division of the economically-active into two categories: the employed and unemployed. Many people do not fall within either category. Many are visibly underemployed, in the sense of working involuntarily less than full time, while others may be working for long hours, but earn less than subsistence incomes. Other problems arise in determining employment status due to the seasonal nature of certain activities, such as agriculture, where work is concentrated into a few months; and from the fact that in most countries, no distinction is made in employment statistics between those engaged full-time and part-time.

Published statistics on unemployment are thus more relevant to formal, market-economy labour markets, and are deficient in measuring the situation in the informal urban sector and in the traditional sector of rural economies where the majority of the workers in most developing countries live. Particular uncertainty applies to statistics on female unemployment.

which data are available; (ii) the youth unemployment rate is typically around twice that of the labour force as a whole, or two and a half to three times the adult rate[1]; (iii) among youth, the burden of unemployment is not shared equitably—the economically and socially disadvantaged (e.g. children of landless labourers and the urban poor) bear a disproportionate share, though this is not always revealed in open unemployment statistics where the most visibly unemployed tend to be the relatively better-educated youths who aspire to wage employment; (iv) the unemployment rate among urban female youth is generally higher than that among urban male youth, especially in the Caribbean; and (v) youth who attain middle-level education (i.e. primary and secondary school-leavers) generally experience higher rates of unemployment than those at either end of the educational scale (i.e. the illiterates and the highly educated) although the problem of the educated unemployed, including graduates, is a growing one in many of these countries.

2.5 In developed countries, youth unemployment shows some similarities and some differences compared with the above. Its characteristics can be summarised as follows: (i) youth comprise the largest proportion of the unemployed when categorised by comparable (ten year) age-bands; (ii) youth unemployment rates are about two and a half to three times as high as those for adults; (iii) unemployment among teenagers is usually higher than for young adults, although the unemployment share of the latter appears to be rising; (iv) unemployment is inequitably distributed, with socially and economically disadvantaged and minority race or immigrant groups being particularly seriously affected; (v) female youth unemployment rates are generally slightly lower than those of males, although there are some notable exceptions; (vi) while youth unemployment is generally of shorter duration than that of adults, youths can expect to be unemployed more frequently; (vii) as general unemployment has risen, so have the number of youths affected, while the duration of general unemployment, including that of youth, has also tended to rise; and (viii) youth with little schooling have fared less well in finding jobs than those with higher levels of education. Among those youth who are employed, there has been some shift from full-time to part-time work.

2. **Incidence**

2.6 There has been considerable divergence in general unemployment rates between countries. During the early 1980s, recorded unemployment among the developed countries had been historically high and on a rising trend. Since the mid-1980s, however, there has been an improvement in the overall rates for seven major OECD countries, but a slight worsening in those for other OECD countries. Table 1 (page 37) shows that in certain Commonwealth developing countries, total unemployment has continued at extremely high rates (as for example in the Caribbean) and is especially high among females in the labour force. For some of the smaller Commonwealth countries in the Mediterranean and around the Asian periphery, however, low to moderate rates of total unemployment have been experienced and there appears to have been some further reduction of rates during the mid-1980s.

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[1] That is, the proportion of unemployed youth (15–24 years) in the youth labour force compared, first, to the proportion of total unemployed (15–64 years) in the total labour force and, second, to the proportion of unemployed adults (25–64 years) in the adult labour force.

2.7 In most countries for which figures are available, youth comprise the highest proportion of the total unemployed, when categorised by comparable (ten year) age-bands (Table 2, page 38). While this is mainly a manifestation of the demographic structure, it serves to underline the magnitude of the problem which developing countries, in particular, face. Current trends indicate that, despite the fact that the proportion of youth in the world population peaked in 1985, young people will continue to account for an expanding proportion of the population in most developing countries until at least the end of the century. In contrast to the developed countries, where economically-active youth rose by only 6 per cent over the period 1970–85, and is projected to decrease from 111 million in 1985 to 101 million by the year 2000, economically-active youth in the developing countries increased by almost 50 per cent during 1970–85 and on current trends is projected to increase at a comparable rate until at least the year 2000. The most rapid increase is expected to occur in Africa[1]. The inability of African and most other developing countries to generate sufficient productive employment for even their present labour force means that they will have the greatest difficulty in providing it for all the expected new entrants. Moreover, not only are the opportunities for wage employment comparatively few, but the ratio of youth to older experienced workers is relatively high, making it very difficult to absorb a large proportion of them into apprenticeship or other forms of training.

2.8 Although population growth, as such, is not considered to be a significant problem in the developed countries, temporary fluctuations in fertility rates—so-called 'baby-booms'—have produced significant differences between these countries in the proportion of youth in the labour force (Table 3, page 40). In 1985, for instance, the proportion of youth in the labour force in Canada and Australia was double that in Japan; and the share of teenagers in the labour force in Australia was three times that in France. These differences, however, are not necessarily reflected in the level of the youth unemployment rate,[1] implying that the growth of the economy, and of its total demand for labour, is generally much more important.

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[1] In Africa, the youth labour force is projected on current trends to increase by over 32 million or some 50 per cent by the year 2000. Latin America's economically-active youth population is projected to grow by a more modest 10 million or 24 per cent over this period. In contrast, Asia is expected to experience a reduction in the overall size of its youth labour-force by some 8½ million, or just over 2 per cent, by the year 2000. (However, in the most populous Commonwealth Asian countries—India and Bangladesh—the youth population is expected to continue to increase until at least the end of the century.) More details are given in Table 13 (page 48).

2.9 Comparisons of the youth unemployment rate (i.e. unemployed youths as a percentage of the youth labour force) with the overall unemployment rate (i.e. total unemployed as a percentage of the total labour force) in selected Commonwealth and other countries reveal that in most countries, youth have been experiencing unemployment at about double the rates applying to the labour force as a whole (Table 4, page 41).

2.10 Teenage unemployment rates have in general been particularly high, with most countries exhibiting a descending scale of unemployment rates through young adults to the adult category (Tables 5 and 6, pages 42–43).[2] This pattern is surprisingly similar for developed and developing countries alike, notwithstanding differences in their economic structures. Table 7 (page 44) indicates, subject to problems of data comparison, that a person under 25 years of age has, on average, about two and a half to three times the chance of being unemployed as has one aged 25 or over.

2.11 While it is clear that youth have been experiencing a disproportionate share of unemployment in most countries, with their unemployment rates around two and a half to three times those of adults[3], it is not so clear that youths' position has been worsening, over recent years, in relation to general unemployment. There is statistical evidence of a rising trend in the share of youth in overall unemployment in many developing countries, which is largely a reflection of demographic trends. Furthermore, there appears to have been a rise in youths' unemployment rates relative to those of general unemployment within nine developed countries over the two decades to 1979, but with some improvement subsequently (Table 9, page 46).[1] However, changes over time should be treated with caution since there is evidence to suggest that, in response to expected higher unemployment or to lower earnings, youth tend to reduce their participation in the labour force, largely by remaining in education longer. In Australia and Canada, for example, as general unemployment has risen, the time spent in education has increased; conversely, as employment has improved, so the time spent in education has decreased.[2] In certain developed countries youths' employment position has improved somewhat, partly because of the effect of special measures governments have targeted at them.[3]

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[1] See Tables 3 and 5 (pages 40 and 42).

[2] On the other hand, in many developed countries during the 1980s the unemployment rates for teenagers have been improving relative to those for young adults; comparing 1985 with 1979, for example, the teenagers' share of total unemployment was markedly lower whereas that of young adults was noticeably higher (see Table 8, page 45).

[3] Moreover, in many countries youth's share in total unemployment has been typically one-and-a-half to two times higher than its share in the total labour force (Table 3, page 40).

2.12 The burden of unemployment is not shared equitably among all youth. In the developed countries, those with the greatest difficulty in obtaining work have been either to poor schools or least successful in their schooling. But the most acute incidence of youth unemployment affects racial, immigrant and other minority groups. For example, in both the United States and the United Kingdom, joblessness among black youths in 1985 was about double that of white youths.[4] Rates are also significantly higher in Australia among aborigines and certain immigrant groups with English language problems. In the developing countries, urban youth and females appear to be disproportionately unemployed, though this may in part reflect the bias induced by the weight given to open unemployment and the omission of rural disguised unemployment. The finding that unemployment is concentrated among those who have been through school and aspire to wage employment may reflect similar factors. Thus, the open unemployed youths in these countries tend to be of higher status, relative to others of their age-group, than do those in the developed countries.

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[1] See OECD Employment Outlook, September 1986, pp 117–119. It might also be noted that an analysis of changes in youths' share of employment in six OECD countries revealed a decline in their average share of total employment between the 1970s and early 1980s, and that this had resulted largely from changes in the youth 'intensity' in employment across industries (i.e. share effect) rather than from any change in the size of youth-intensive industries (i.e. structural effect). (See also Chapter 3.)

[2] Of course, general participation rates, especially for females, are also sensitive to economic cycles, but probably less so than for those of teenagers (at least in the developed countries).

[3] In the EEC, youths' share in total unemployment fell from 39.8 per cent in 1984 to 37.2 per cent in 1986.

[4] In the United Kingdom, the respective rates were 33 per cent and 16 per cent (UK Department of Employment Gazette, January 1987). In the United States, the rates were 64 per cent and 37.5 per cent, respectively, for teenagers, and 46 per cent and 24 per cent, respectively, for young adults (ILO, Report V: *Youth;* for International Labour Conference, 1986).

2.13 Looking further at variations within countries, we note that according to a number of surveys carried out in developing countries during the 1960s and 1970s, urban unemployment rates were typically at least twice rural ones (excluding, again, underemployment, which tends to be of greater significance in rural labour markets).[1] Similar surveys also revealed that urban youth unemployment rates were about double those of the urban labour force as a whole. The phenomenon of high rates of open urban youth unemployment could worsen in many developing countries during the remainder of the century. On the basis of past trends, over 70 per cent of the increase in population in developing countries as a whole, between 1980 and the year 2000, could be in urban settlements and this is likely to mean a significant shift from rural underemployment to more open urban unemployment, both among youth and more generally. In populous South Asia, although only around 30 per cent of youth currently live in urban areas, the proportion is projected to rise to over 40 per cent by the year 2000 as a result of rural-urban migration. In Africa, urban youth could increase by 44 million to almost 50 per cent of the youth population in the year 2000, from 36 per cent in 1984; and in Latin America, which is already highly urbanised, increases in the urban population itself could be largely responsible for urban youth comprising over three quarters of the youth population by the year 2000.[2]

2.14 Comparing rates of youth unemployment, by sex, the recorded data reveal significant differences between countries. In most developed countries female youth unemployment rates tend to be lower than those for male youth, although in certain countries like Australia, Spain and Italy the opposite is true.[3] In developing countries, particularly in urban areas, unemployment among young women is generally, though not invariably, higher than among young men, despite usually lower female labour force participation rates.[4] Female unemployment is especially high in the Commonwealth Caribbean and other small island economies such as the Seychelles (Table 4, page 41). A related feature in several Commonwealth developing countries (particularly in Africa) is that, while male unemployment rates usually fall after ages 20–24, female rates tend to persist at a high level throughout the adult age range (Table 10, page 47). Young women entering the labour force, in the urban areas of developing countries especially, thus face a much more daunting prospect.

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[1] See L. Squire, 'Employment Policy in Developing Countries: a Survey of the Issues and Evidence', Oxford University Press, 1981, Table 19.

[2] Source: UN, The Situation of Youth in the 1980s and Prospects and Challenges for the Year 2000, NY, 1986, ST/ESA/186. See also Table 14 (page 49).

[3] The data should, however, be treated with caution as in parts of some developed countries there are still large numbers of young women who would like to be employed but who are not classified as unemployed because they are not actively looking for work and/or are not eligible for unemployment benefit.

[4] Recent surveys of Bangladesh and India illustrate the high rates for female youth (see Table 11, page 47).

2.15 Moreover, urban unemployment rates for women actively seeking work are likely to understate the numbers who would wish to work, active search being discouraged by the low probability of securing a job. Many of these are recorded as doing 'housework'.[1] The extent of disguised unemployment among young women in both urban and rural areas may be increased by custom and tradition, which keep them within the household when suitable work is not available, simultaneously limiting the number and type of employment opportunities to which they have access.

3. **Duration**

2.16 The unemployed are not a fixed group of people but a constantly changing population, with substantial numbers moving into and out of employment. Much unemployment is therefore largely short term and transitional, although a growing fraction of it consists of the long-term—'hard core'—unemployed.[2] In most developed countries a feature of recent years has been that, as unemployment has risen, the number of long-term unemployed has tended to rise even more rapidly, especially among unskilled workers (including youth).[3]

2.17 In the developed countries the rate of long-term unemployment[4] has tended to rise more steeply than the overall rate in times of increasing unemployment. For example, within OECD Europe between 1979 and

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[1] For example, in Nairobi, Kenya, in 1977/78, a survey recorded that 9.5 per cent of the males and 15.1 per cent of the females were actively seeking work, but the totals on which these figures were based excluded those engaged in housework. When attention is focused on the 'economically active' population, the survey recorded that 84.7 per cent of the males and 37.5 per cent of the females were in paid jobs but that 46.6 per cent of the females were in housework. This divergence existed even in the younger age groups. Among those aged 20–24 years, for example, 57.4 per cent of the males and 35.1 per cent of the females were in paid jobs, while 54.3 per cent of the females were recorded as being in housework. It is likely that many of those in housework would have wished to have undertaken paid work if it had been available in their area.

[2] During the 1980s, the long-term unemployed (i.e. 12 months and over) accounted for between one-tenth and two-thirds of the total unemployed in the major OECD countries. In developing countries, some workers may be unemployed for considerable periods between agricultural seasons.

[3] The share of youth in the long-term unemployed in OECD Europe rose from 31.6 per cent in 1979 to 37.5 per cent in 1984, virtually all of the increase being accounted for by males.

[4] Defined as those continuously unemployed for one year or more.

1985, when unemployment virtually doubled, those out of work for more than one year rose from 26 per cent of the total to over 45 per cent. In North America, although the proportion of long-term unemployed was markedly lower, it more than doubled during the same period.[1] The incidence of long-term unemployment rises with age; but it does have an impact on youth. Between 1979 and 1985, long-term unemployment among youths increased by a half in Australia, doubled in Canada, and rose four-fold in the United Kingdom; in all three it affected mainly youths from immigrant and minority groups.

2.18 However, the more typical situation facing youth is not long-term unemployment but frequent short-spells of unemployment. For example, in Canada, youth are unemployed for 15 weeks on average while workers 45 years and upward are unemployed for 25 weeks on average. This characteristic is often a consequence of the occupational mobility and high turnover of jobs experienced by youths.

2.19 Related to the duration out of work is the time spent in work. A feature of youth employment in certain developed countries (for example, United States, Canada and Australia) during recent years has been some shift from full-time to part-time employment. (This has been an especially notable feature of female employment.) For example, in Australia between 1970 and 1983, the proportion of employed youths in part-time work rose from 7 to 18 per cent, much of which was accounted for by an increase in the number of 'full-time' students working, particularly teenagers (in 1981, three-quarters of teenage part-time workers were 'full-time' students).[2]

2.20 The duration of open unemployment is another measure more relevant to developed countries and some middle-income developing countries, where social security systems provide some income support for the unemployed. In the developing countries, although extended family systems may help unemployed members in some societies, the majority of the labour force is usually able to afford only short periods when they are not engaged in income-earning activities of one kind or another.[3]

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[1] In the United States the long-term unemployed rose from 4.2 to 9.4 per cent of the total unemployed during 1979–85; in Canada, the percentages were 3.5 and 10.3 respectively.

[2] See OECD: Youth and Work in Australia, a Comprehensive Agenda; Paris, 1986 (Chapter 2).

[3] In most of these countries, studies during the 1960s indicated that the majority of male workers (all ages) were engaged in some activity for over 40 hours a week (and many for over 50 hours a week); the proportion of those working for shorter periods tended to be much higher in rural than in urban areas. Rural female labour was considered to be particularly underemployed. (Source: OECD, The Unemployment Problem in the Less Developed Countries, Paris, 1971, Table III.11)

Nevertheless, disguised unemployment or underemployment and consequent poverty can be a long-term phenomenon in these countries. There is also much temporary unemployment which in the rural areas is related to cropping seasons and elsewhere to other seasonal activities such as tourism. Its extent and intensity varies, however, and though there is not a great deal of information on incidence and duration, what evidence there is does not support the view sometimes expressed that rural labour is usually idle for four to six months of the year. Even during slack periods, the labour utilisation rate in Asia may be around 40 per cent,[1] although because of farming practices this could be lower in rural Africa.

4. **Influence of Skills and Education**

2.21 Available information suggests that the incidence and duration of youth unemployment may be related to job experience, skills and education. The relation between the educational attainment and employment status of youths is difficult to establish, for not only do educational systems vary widely, but few countries have collected the required data. Such few studies as there have been suggest, however, that in developing countries the officially recorded (open) unemployed have on average tended to be better educated than the population at large, especially as regards the young unemployed.[2] This may be because the better educated are more likely to be active in searching for jobs or recorded as unemployed than would, say, urban illiterates, and in any case they may be in a better financial position to survive without work. Those experiencing the highest rates of unemployment have generally attained middle-level education (for example secondary school-leavers) and comprise an important part of the labour force in the formal sector of developing countries. In most cases, unemployment rates among secondary school-leavers appear to be higher than among primary school-leavers. The lowest rates of unemployment have been experienced by those at either end of the educational scale, i.e. among the youth reaching post-secondary education and those receiving little or no formal education at all (although the latter may merely reflect measurement problems).[3] However, the problem of educated—and specifically graduate—unemployment is longstanding in certain developing countries, particularly on the Indian sub-continent and in countries such as Mauritius and Nigeria. Several causes of this are possible. They include distortions arising from imbalances in, or inappropriateness of, tertiary education (which result in some skills being created in excess of demand), wide differentials in pay (which can prolong job search) and narrowness of the economic base (which limits the demand for graduates).

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[1] Ibid, p 62.

[2] Ibid, p 50.

[3] See Table 15 (page 51).

2.22 In most developed countries, out of work youths are relatively less well-educated or well-qualified than those in employment, and there is evidence to suggest that, particularly in periods of slack labour demand, the more educated are able to take jobs occupied at other times by the less educated.

5. **Sectoral Patterns**

2.23 Sectoral trends in employment and unemployment are of relevance to the situation of youth in the labour market, since they indicate areas of likely employment growth or decline in activities which may have provided traditional entry points for youth. Among the developed countries, employment in the manufacturing sector has generally declined since the mid-1970s and growth has occurred overwhelmingly in the services sector. In a sample of nine OECD countries[1] for the period 1973–83, manufacturing employment declined at an average rate of one per cent per annum, largely as a result of reduced economic growth, structural changes and technological innovation. On the other hand, employment in the services sector grew at an average annual rate of 2 per cent. A notable feature of services employment has been the expansion of 'information occupations', involving new technology and including the creation, packaging, processing and distribution of information in a wide variety of fields. Even by 1981 the OECD had estimated that these occupations comprised the majority of jobs in the services sector of member countries[2] and their predominance would have grown further in subsequent years. An OECD study, of six member countries,[3] revealed that for different periods of the 1970s and 1980s, the share of youth in total employment had declined across all sectors[4] in four out of the six, the exceptions being the United States and Germany (FR). In the United States youth's share of employment had risen across all sectors, while in Germany it had increased in agriculture, mining, manufacturing and construction, but had fallen in all service activities except personal services. The fact that youths' share of employment in the expanding service sector had fallen in all countries except the United

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[1] Canada, Denmark, Finland, Germany (FR), Italy, Japan, Sweden, United Kingdom and United States.

[2] OECD: Information Activities, Electronics and Telecommunication Technologies: Impact on Employment, Growth and Trade, ICCP No 6, Paris, 1981.

[3] Finland, Germany (FR), Japan, Norway, Sweden and United States. See OECD Employment Outlook, September 1986, pp 117 *et seq.*

[4] Defined according to one-digit International Standard Industrial Classification.

States can be considered a particularly worrying feature in view of the fact that services are believed to be the main future growth area for employment in the developed countries.

2.24 In the developing countries, such sectoral data are less readily available. The underlying shifts in their sectoral employment are largely a reflection of structural change, which can be rapid in some of these economies. There are, however, virtually no data giving an age breakdown of sectoral employment or unemployment. In many developing countries, employment in the public service—a traditional entry point for educated youths—has had to be sharply curtailed, particularly in Africa. In addition, the overall economic situation has led to considerable labour retrenchment in construction and manufacturing. (In Singapore, in 1985, 46 per cent and 37 per cent, respectively, of job losses were in these two sectors.) The downturn in formal employment and real wages has resulted in increased numbers (including youths) seeking work in the informal sector. However, without faster economic growth than has recently been achieved, this merely means more underemployment, reduced incomes, more people suffering deprivation, and increased disaffection, especially among youth.

6. **Economic and Social Implications**

2.25 Recognition of the challenge of youth unemployment has been increased by an awareness of its economic, social and psychological impacts and attendent costs. These include the cost to the economy of lost production; the financial costs to government of loss of revenue, the payment of benefits, and increased expenditure on services; the impact on communities in terms of social and health problems which may be provoked; and the impact on the individual young person where the products and processes of employment would have provided a measure of independence.

2.26 These costs apply to all the unemployed. It is however believed that in the case of young people they are often greater, and involve wider indirect adverse effects, than for the labour force in general.

2.27 It is, nevertheless, difficult to disentangle those impacts specific to youth, and to measure the costs. Empirical data are largely limited to developed countries; and even where there has been systematic study of impacts, the precise nature of cause and effect is difficult to establish. Thus we can here only make some indicative assessments.

Economic costs

2.28 Young people are a significant proportion of the population in all Commonwealth countries. Their unemployment entails a waste of human potential. Moreover unemployment diminishes the capacity of young people to make an effective economic contribution in the future, since unemployed young people, at the crucial formative stage of a career, will not be getting the development and learning experiences from working, which affect future skills and attitudes to work. A number of estimates have been made of the costs of general unemployment, but these do not separate those relating to youth unemployment. For example, an OECD report in 1982 suggested that as a result of overall unemployment 'foregone output would have amounted to US$340 billion in 1981 for the OECD area as a whole, equivalent to the combined GDP of Canada and Denmark or almost half the GDP of France'.[1] The European Trade Union Institute estimated the loss of output in 1982 in Western Europe at levels ranging from 6.7 to 18.1 per cent of GNP, depending on the assumptions made.[2]

2.29 Reduced incomes and expenditure of unemployed young people also represent a major loss of both direct and indirect tax revenue, although these losses are likely to be less than for older people. In addition, countries which have extensive social insurance schemes will lose from the absence of payments into such schemes. At the same time there will be increased costs associated with payments from social insurance and unemployment benefit schemes. Focusing on overall unemployment, in 1982 the House of Lords in the United Kingdom reviewed the costs to the Exchequer of the unemployed and estimated them to be some £13 000 million (at 1981/2 prices). This represented an average cost of £4500–£5000 per unemployed person.[3]

2.30 There will be costs from the operation of any special measures taken to create work, develop more training opportunities or provide special services to alleviate ill-effects. Furthermore, because of the direct and indirect effects on individual and family health, wealth and life-style, young people who are unemployed may represent an increased demand for, and thus increased costs of, a wide range of health, education, social and development services. The House of Lords report thought it reasonable to 'assume that on average there is an additional charge to the Exchequer amounting at least to some hundreds of pounds for every person unemployed'.[4]

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[1] *The Challenge of Unemployment*, Paris: OECD, 1982.

[2] *The Economic Costs of Unemployment in Western Europe*, Brussels: European Trade Union Institute, 1984.

[3] Select Committee of the House of Lords: *Unemployment—Vol I, op. cit.*

[4] *Ibid.*

Social costs

2.31 It is frequently asserted that social and political unrest can be an effect of unemployment in general and youth unemployment in particular, although there are those who believe that youth unemployment has never provided a real challenge to the social order.[1] There is little direct evidence that youth unemployment *per se* has specifically created political instability. However, it might be suggested that the growth of 'rascal' gangs in Papua New Guinea, gangs in New Zealand in the 1970s, and urban rioting in Britain in the 1980s, have all shown youth alienation associated with conditions of youth unemployment. Whatever the precise relationships, the community is concerned about the possibility of social unrest and more general political instability. Thus even as early as the mid-1970s, a Commonwealth Secretariat report asserted that 'it is usually the frustration among job-seekers, particularly among school-leavers, which accounts for much of the real worry behind the public concern with unemployment. This is what alarms the politicians and civil servants'.[2] Even where there may not be overt unrest, the latent violence and pent-up frustration of young people denied the opportunity to take a full part in society, especially in urban areas, is of great concern.

2.32 More generally, there does appear to be a clear association between crime and unemployment, including youth unemployment. A study in Northern Ireland showed over 60 per cent of all those convicted were unemployed people aged under 19.[3] Unemployment offers young people the motive and the opportunity for crime: shortage of income and basic necessities, surplus free time, and the denial of role and status may all lead to involvement in criminal activity. However, how far unemployment, as opposed to factors associated with it, precipitates criminal activity by young people (and others) is virtually impossible to establish. Some commentators in developed countries even take the view that there is 'no significant relationship between increases in recorded crime and increases in unemployment'.[4]

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[1] Mungham, G.: 'Workless Youth as a Moral Panic'. In Rees, T. L. and Atkinson, P.: *Youth Unemployment and State Intervention*, London: Routledge and Kegan Paul, 1982.

[2] Jolly, R.: 'Employment problems and strategy'. In *Employment problems and strategies*, London: Commonwealth Secretariat, 1976.

[3] *Unemployment and Young Offenders in Northern Ireland*, Belfast: NIACRO, 1981.

[4] Carr-Hill, R. A. and Stern, N. H.: *Crime, the Police and Criminal Statistics*, London: Academic Press, 1979.

Individual costs

2.33 Work has both a social and economic significance for individuals. For young people, as for those of all ages, it contributes to the development and maintenance of self-confidence, identity and self-esteem. Meaningful work is one of the most powerful symbols of adulthood, and sources of role and status. Furthermore for young people it is a crucial means to making an effective transition to adulthood. It provides a measure of independence from parents or other relatives; the opportunity to form relationships, partnerships and families of one's own; the possibility of informed choices about life and work. Unemployment impairs the transition from youth to adulthood. Young people may then seek role and status and some sense of independence in inappropriate and anti-social ways, for example through criminal activity.

2.34 An immediate impact of unemployment on the individual young person is the loss of livelihood and—in the absence of family or state support—the onset of poverty. Isolation, the absence of status and a sense of a future foster loss of self-esteem and self-confidence, alter a young person's sense of identity and can breed a sense of hopelessness. Independent living and family life becomes, or remains, beyond the economic means of unemployed young people. Diminishing or static prospects of stable meaningful employment throw them into, or keep them in, chronic dependence on the financial and cultural resources of others—especially parents. Loss or absence of independent leisure, and the strains of over-crowding, subject individuals and families to enormous problems.

2.35 For some this can result in severe mental illness, and there appears to be widespread recognition of the effects of unemployment on mental health in general, and young people's mental health in particular. For example in Australia it appears that unemployment raised the chances of young single people having a psychiatric disorder by a factor of six.[1] Canadian evidence suggests that the young unemployed have more psychological distress in relation to unemployment than do older individuals.[2] Suicide and deliberate self-inflicted injury are closely associated with unemployment. For example in Scotland nearly half of attempted suicides in one survey were unemployed, and those attempting suicide are predominantly young people.[3]

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1. Finlay-Jones, R. and Eckhardt, B.: 'A social and psychiatric survey of unemployment among young people,' *Australia and New Zealand Journal of Psychiatry*, Vol 18, No 2, 1984.

2. D'Arcy, C. and Siddique, C. M.: 'Unemployment and health: an analysis of "Canada Health Survey" data,' *International Journal of Health Services*, Vol 15, No 4, 1985.

3. Reported in: Select Committee of the House of Lords: *Unemployment—Vol I*, London, HMSO, 1982.

2.36 There seems little doubt, too, that unemployment in general is associated with ill-health: for example mortality rates, heart and liver disease and stress reactions appear to be increased by unemployment. In the case of the young unemployed though, there is some evidence from Canada that they are less prone to ill-effects on their physical health.[1] The precise nature of the mechanisms and causal relationships is, however, contentious. It may be that basic poverty is the major factor, with unemployment still significant as a prime cause of poverty.

7. **Future Prospects**

2.37 We have outlined above a number of characteristics and trends relating to general and youth unemployment in the developed and developing countries. What do these factors imply for the future? Some of the crucial determinants cannot be predicted. We cannot meaningfully forecast medium- and long-term economic growth. All we can say is that the process of technological change is creating the basis for improved living standards and growing—albeit different—employment opportunities. Whether this potential is realised will depend on many factors, including the evolution of economic and social policy.

2.38 On the other hand, we can predict demographic trends with some accuracy: the number of young people who will enter the labour forces of the developed and developing countries over the next 15 years or so are already born. The figures indicate the enormous size of the youth problem many countries will have to face (Table 12, page 48). Between 1985 and the year 2000, in the developing countries, youth aged 15 to 24 are projected to increased by over 125 million (or 16 per cent), compared to a reduction of 11 million (or 6 per cent) in the developed countries.[2] In the developing countries about half the overall increase will occur in Africa, where the youth population will rise by almost 60 per cent by the year 2000. Significant increases will also occur in Latin America and Asia (excluding China and West Asia), where the youth population in each will rise by approximately one-quarter over the fifteen year period. Africa's problem is even more acute if population trends are extrapolated to 2025: whereas the youth population in developing countries as a whole is expected to rise by approximately one-half over the 1985–2025 period, in Africa it is projected to more than triple—rising from just over 100 million to well over 300 million.[1]

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[1] Olafsson, O. and Sevensson, P. G.: 'Unemployment-related lifestyle changes and health disturbances in adolescents and children in the western countries.' *Social Science and Medicine*, Vol 22, No 11, 1986.

[2] Source: ILO, Economically Active Population, Estimates and Projections, 1950–2025, Geneva, 1986. (The UN has projected even higher figures: it puts the total youth population in developing countries in the year 2000 at over 150 million more than the 735 million of 1984 (UN: *The Situation of Youth in the 1980s and Prospects and Challenges for the Year 2000*, NY, 1986).)

2.39 The increase in the developing countries' youth population is likely to be accompanied by a major shift from rural to urban areas. On the basis of past trends, it has been projected[2] that the rate of increase in urban youth will be even higher than that of the overall youth population since there is expected to be a net decline in the number of youths living in rural areas over the period. This shift should increase the proportion of youth in these countries living in urban areas from 36 to approaching 50 per cent by the end of the century. As with population growth, the largest increases in the population of youth residing in urban areas are projected for Africa. South and East Asia are also expected to experience considerable rises in the proportions of their urban youth.[3] Although the rate of growth of their counterparts in Latin America is expected to be about half that of these other three regions, nevertheless the existing higher urbanisation of Latin America is expected to result in almost four out of five of their youths residing in urban areas by the year 2000.

2.40 A third factor, which has been responsible in part for expanding rural-urban migration, is the rising educational level of youths entering the labour markets of developing countries. The gross enrolment ratio[4] in primary level education for developing countries as a whole rose from 78 per cent in 1970 to 92 per cent in 1982. The number of students in secondary level education also continued to increase considerably, at least up to the early 1980s,[5] bringing secondary level enrolment to 66 per cent for these countries by 1982.[6] The numbers of pupils involved are very large. For example, the total enrolment of school pupils was in excess of 650 million in 1984, compared with some 400 million in 1970.[1] While many of these will leave school without obtaining appropriate qualifications, a significant number of them will seek modern sector wage employment because of their educational attainments.

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[1] The figures in this paragraph refer to the youth population whereas those in para 2.7 relate to the youth labour force ('economically active youth').

[2] UN, *op. cit.*

[3] Urban youth are expected to increase from 30 to 42 per cent and from 35 to 47 per cent of the youth population in South Asia and East Asia, respectively, between 1984 and 2000. (Ibid.)

[4] Pupils of whatever age enrolled in primary education as a percentage of population of primary school age.

[5] In the last few years, unfavourable macro-economic conditions and resulting financial restrictions, changing attitudes and increasing scepticism towards education have seriously affected school-entering cohorts in some countries.

[6] UN: Report on the World Social Situation, New York, 1985; and Supplement on Living Conditions in the Developing Countries in the mid-1980s, New York, 1986.

2.41 These three major factors combined presage a continuing and vast shift from formerly disguised rural underemployment to more open, urban unemployment among youth in developing countries over the coming decades. Not only are the number of youths seeking wage employment likely to rise substantially, but their unemployment will become more apparent, creating enormous political and social problems for the governments and peoples of many of these countries, unless remedial actions are taken.

2.42 For the developed countries, demographic trends are likely to be much more manageable owing to the projected decline in overall numbers of youth referred to earlier. Nevertheless, the poor prospects for employment growth, particularly in Western Europe, point to a continuing problem, at least in the medium term. In addition, youth will frequently have to compete with the rising number of female adults (i.e. aged over 24) entering or re-entering the labour market as a result of the continuing increase in the ratio of girls to boys at all levels of education, and increasing expectations by women of a career.

2.43 There are some indications in the short term of a worsening unemployment situation for young adults (i.e. aged 20–24). This may be due partly to displacement effects of the employment and training programmes targeted largely at teenage youth, and partly to 'generational crowding' resulting from the large numbers of entrants to the labour force following an earlier 'baby-boom'. Recent analysis by the OECD[2] suggests that in the absence of ameliorative action to assist those out of work for long periods, 'generational crowding' not only worsens employment opportunities for the group concerned, but causes the disadvantage to last for a considerable period of their working lives.

2.44 In the longer term, unless there is serious political disruption or economic mismanagement, the youth unemployment problem is likely to lessen in the developed countries, although concentrated pockets are likely to persist among certain groups, such as racial minorities, and within particular regions, which will require remedial measures specifically targeted at these groups and areas.

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[1] UNESCO Statistical Yearbook, Paris, 1986 (Table 2.2).

[2] OECD, Employment Outlook, September 1986, Chapter V.

Table 1: Open unemployment rates for selected Commonwealth countries, 1980–1985 (per cent)

Country		1980	1982	1984	1985
Australia[1]	Total	5.9(a,b)	6.7	8.6	7.9
	Male	5.0(a,b)	6.4	8.7	7.8
	Female	7.5(a,b)	7.5	8.3	8.0
Bahamas[1]	Total	14.3(c)			
	Male	8.4(c)			
	Female	21.1(c)			
Barbados[1]	Total	11.4(d)	13.7	17.1	18.7
	Male	8.6(d)	10.1	13.0	14.1
	Female	14.8(d)	18.0	22.1	24.0
Canada[1]	Total	7.5	11.0	11.3	10.5
	Male	6.9	11.1	11.2	10.3
	Female	8.4	10.9	11.4	10.7
Cyprus	Total	1.9	2.7	3.2	3.3
	Male	1.6	2.4	2.9	2.9
	Female	2.5	3.3	3.8	4.0
Ghana	Total	1.2	0.7		
	Male	1.5	0.9		
	Female	0.8	0.5		
Hong Kong[1](e)	Total	4.3(f)	4.2(g)	3.9	3.6
	Male	4.4(f)	4.3(g)	4.1	3.8
	Female	4.0(f)	4.1(g)	3.5	3.3
Jamaica[1]	Total	26.8(h)	27.9(i)	26.2(p)	
	Male	16.0(h)	17.0(i)	15.8(p)	
	Female	38.9(h)	40.4(i)	36.5(p)	
Malta(j)	Total	1.1	3.2	3.1	
	Male	2.0	4.9	5.0	
	Female	0.2	1.5	1.4	
New Zealand	Total	2.9	3.9	5.0	4.0
	Male	2.6	3.6	4.7	3.8
	Female	3.3	4.6	5.5	4.3
Seychelles	Total	5.2	12.2	20.8(k)	22.5
	Male	2.5	9.7	19.9(k)	16.2
	Female	2.7	16.2	21.0(k)	31.6
Singapore	Total	3.0	2.6	2.7	4.1
	Male	2.9	2.4	2.6	4.2
	Female	3.4	2.9	2.8	4.1

Table 1—*continued*

Country		1980	1982	1984	1985
Trinidad and Tobago	Total	10.0(l)	10.0	13.5	15.5
	Male	8.0(l)	8.3	12.0	15.0
	Female	14.0(l)	13.8	16.0	17.0
UK(m)	Total	6.8(n)	10.9	11.7(c)	11.9
	Male	8.3(n)	13.1	13.5(o)	13.7
	Female	4.8(n)	7.5	8.9(o)	9.1

Notes: Unless otherwise indicated, the data are annual averages of monthly, quarterly or semi-annual data.

(a) Estimates based on 1981 census. (b) Data are for the month of August. (c) 1979. (d) Fourth quarter. (e) Third quarter except where otherwise stated. (f) September. (g) Quarter from August to October. (h) November. (i) October. (j) December of each year. (k) December. (l) New series according to 1980 census. (m) Excluding persons temporarily laid off. (n) Beginning April excluding some men aged 60 and over. (o) From 1983 claimants at unemployment benefit offices. (p) Provisional.

1. The source of data for these countries is the Labour Force Sample Surveys and General Household Sample Surveys. For other countries, except UK, it is the Employment Office Statistics; UK data are from Social Insurance Statistics.

Source: ILO, Yearbook of Labour Statistics, Geneva, 1985 and 1986.

Table 2: Open unemployment of youth as a proportion of total open unemployment in selected Commonwealth countries, 1980–85 (per cent)

Country		1980	1982	1984	1985
Australia[1](a) (15–24 yrs)	Total	55.8	50.4	47.8	45.6
	Male	51.9	48.6	44.7	42.6
	Female	60.2	53.0	53.1	50.4
Barbados[1] (15–24 yrs)	Total	66.2	56.1	53.6	52.8
	Male	71.9	62.9	55.7	57.0
	Female	62.5	51.6	52.2	50.0
Canada[1] (15–24 yrs)	Total	46.6	42.2	37.0	35.6
	Male	47.3	42.5	37.0	36.7
	Female	45.8	41.7	37.0	34.3
Cyprus (0–24 yrs)	Total	41.1	33.8	27.1	27.0
	Male	29.2	24.5	20.4	20.5
	Female	55.9	45.5	35.8	35.0

Table 2—*continued*

Country		1980	1982	1984	1985
Ghana(b)	Total	60.4	64.4		
(0–24 yrs)	Male	59.7	60.2		
	Female	62.0	73.8		
Hong Kong[1](c)	Total	50.6(d)	49.1(e)	50.5	50.2
(10–24 yrs)	Male	44.6(d)	42.8(e)	41.0	40.5
	Female	63.1(d)	61.1(e)	69.3	70.1
India(f)	Total	65.2	59.9	59.5	
(0–24 yrs)	Male	64.8	59.8	59.3	
	Female	67.5	60.2	60.8	
Jamaica[1](g)	Total	55.9	57.2	54.0	56.5
(14–24 yrs)	Male	62.4	63.2	61.1	58.5
	Female	53.0	54.2	50.6	55.6
Mauritius	Total		61.6	56.2	53.0
(15–24 yrs)	Male		66.1	59.9	56.4
	Female		50.3	45.2	42.6
New Zealand(g)	Total		61.2	59.1	57.8
(0–24 yrs)	Male		53.1	52.5	51.8
	Female		73.6	70.1	68.1
Seychelles	Total			38.6	61.0
(15–24 yrs)	Male			39.0	59.1
	Female			38.1	62.3
Singapore[1](h)	Total	57.2	57.1	48.2	45.4
(15–24 yrs)	Male	52.3	49.2	39.7	35.7
	Female	65.0	69.1	62.0	62.7
Trinidad and	Total	55.7	58.0	56.3	56.3
Tobago	Male	62.0	64.9	58.5	57.5
(15–24 yrs)	Female	47.9	49.7	53.1	54.2
UK(i)	Total	42.2	39.1	39.1(j)	38.3
(0–24 yrs)	Male	35.1	33.5	34.3(j)	34.1
	Female	57.3	53.0	50.2(j)	47.5

Note: In general the statistics relate to a fixed calendar period or date in the year and not to annual averages of monthly, quarterly or semi-annual data.

(a) August. (b) Mean of March, June, September and December. (c) Third quarter except where otherwise stated. (d) September. (e) Quarter from August to October. (f) December. (g) October. (h) June. (i) Mean of January and July. (j) From 1983, claimants at unemployment benefit offices.

1. The source of data for these countries is the Labour Force Sample Surveys and General Household Sample Surveys. For others it is Employment Office Statistics.

Source: ILO, Yearbook of Labour Statistics, Geneva, 1985, and 1986, Table 9B.

Table 3: Share of teenagers and young adults in total unemployment compared with share in labour force, selected developed countries, 1960–1985

Country	Share, all youth (%) in unemployment/labour force				Share, teenagers (%) in unemployment/labour force				Share, aged 20–24 (%) in unemployment/labour force			
	1960	1970	1979	1985	1960	1970	1979	1985	1960	1970	1979	1985
United States	34/17	48/22	49/24	39/20	18/17	27/22	26/24	18/7	15/10	21/13	23/15	21/13
Canada	35/22	45/25	47/27	36/23	18/9	25/10	24/11	14/8	16/12	20/15	23/16	21/15
Australia	52/27(a)	44/27	56/27	46/25	38/14(a)	27/12	35/12	24/10	14/13(a)	17/15	21/15	22/15
Japan	29/23	37/22	21/13	22/12	13/10	10/6	6/3	7/3	16/13	27/16	15/10	15/10
France	34/18(b)	37/20	40/16	41/16(c,d)	22/8(b)	17/6	15/4	/3(c)	13/10(b)	20/13	24/12	39/13(c,e)
Germany	22/21(g)	34/19	28/20	26/21(c)	7/9(g)	22/8(f)	13/9	8/8(c)	15/12(g)	12/10	15/11	18/13(c)
United Kingdom	28/21(a,h)	32/21(h,i)	41/19(h,j)	38/23	–	15/8(i,k)	28/8(j,k)	16/10	–	16/12(i,k)	16/11(j,k)	22/13(l)
Italy	56/21(a)	61/19	66/17(j)	60/18	36/11(a)	30/8	33/7(j)	26/6	21/10(a)	31/11	33/11	34/12
Sweden	33/18(m)	34/18	40/16	32/16	20/9(m)	17/6	20/6	8/5	13/9(m)	17/12	19/11	24/11

(a) 1964. (b) 1963. (c) 1984. (d) Relates to age 0–24. (e) Relates to age 18–24. (f) Exceptional figure. (g) 1961. (h) Survey data adjusted to US concept. (i) 1971. (j) 1978. (k) Data for Registered unemployed. (l) Data for claimants at unemployment benefit offices. (m) 1962.

Source: Figures to 1979 derived from Sorrentino, C., 'Youth Unemployment: an International Perspective', Monthly Labour Review, July 1981. Table 2; figures for 1985, ILO Yearbook of Labour Statistics, 1986; figure for UK for 1985 is for July, derived from UK Department of Employment, Employment Gazette, August 1986.

Table 4: Estimated rates[a] of open unemployment in total and among youth in selected Commonwealth and non-Commonwealth countries, 1985 (per cent)

Country	Total Unemployment			Youth Unemployment		
	Total	*Males*	*Females*	*Total*	*Males*	*Females*
Commonwealth countries						
Jamaica	25	15	36	40	26	58
Seychelles	21	15	28	31	25	40
Barbados	17	13	21	32	26	39
Mauritius	17	17	17	29	31	26
Trinidad & Tobago	16	15	20	31	30	34
United Kingdom	12	14	10	20[b]	22[b]	18[b]
Canada	10	10	11	17	18	15
India	9	10	6	22[b]	23[b]	16[b]
Australia	8	8	8	14	15	13
Singapore	4	4	4	6	6	7
Hong Kong	4	4	3	5[b]	6[b]	5[b]
New Zealand	4	4	4	6[b]	6[b]	5[b]
Cyprus	3	2	3	4[b]	3[b]	5[b]
Ghana[c]	1	1	1	2[b]	3[b]	2[b]
Non-Commonwealth countries						
Spain	21	18	32	42	36	51
Italy	11	7	20	29	22	39
Germany	8	6	9	10	7	10
United States	7	6	8	13	13	13
Sweden	3	3	3	6	6	6
Japan	3	3	3	5	5	5

Note: These figures vary slightly from those in other tables since the denominators (for the labour force) are estimates.

(a) Total unemployment as percentage of total labour force, and youth unemployment as percentage of youth labour force.

(b) Figures relate to the age group 20–24 only.

(c) Figures relate to 1980.

Sources: ILO: Yearbook of Labour Statistics, 1986, Tables 1, 9A and 9B, and ILO: Economically Active Population Estimates and Projections, 1950–2025, Vols I–V, 3rd ed. Geneva, 1986.

Table 5: Rates of teenage and young adult unemployment in selected developed countries, 1980–1986

	Both sexes				Males				Females			
	1980	1984	1985	1986	1980	1984	1985	1986	1980	1984	1985	1986
Teenage rates												
Australia	17.1	22.3	18.2	18.3	15.3	22.6	19.3	17.4	19.1	21.9	17.1	19.2
Canada	16.3	19.9	18.7	16.6	17.1	21.3	20.6	16.9	15.3	18.5	16.7	16.2
France	31.7	37.0	–	–	19.7	27.4	–	–	47.6	49.9	–	–
FR of Germany	3.8	8.2	8.1	–	2.8	7.0	6.6	–	5.0	9.7	9.7	–
Italy	35.5	43.8	45.1	–	27.5	35.9	37.7	–	40.8	52.7	53.7	–
Japan	4.1	6.8	7.3	6.3	9.3	8.5	8.9	8.2	2.7	5.1	5.6	4.4
Spain	35.4	56.3	55.7	51.7	34.1	55.3	52.9	48.7	37.3	57.7	59.5	55.9
Sweden	7.6	5.0	4.5	6.0	6.3	5.5	4.6	5.9	9.1	4.5	4.5	6.1
United Kingdom	21.0	19.1	21.1	21.6	21.3	21.4	23.6	24.2	20.7	16.6	18.3	18.7
United States	17.8	18.9	18.6	17.2	18.2	19.6	19.5	17.6	17.2	18.0	17.5	16.8
Young adult rates												
Australia	8.9	12.9	11.6	9.8	8.5	14.2	12.5	10.4	9.4	11.3	10.5	9.0
Canada	11.1	16.8	15.3	12.9	11.5	18.4	17.0	13.3	10.7	14.9	13.4	12.4
France	11.1	23.6	27.5	12.9	11.5	18.4	17.0	13.3	10.7	14.9	13.4	12.4
FR of Germany	4.6	11.4	12.2	–	3.5	10.2	11.1	–	5.7	12.8	13.4	–
Italy	22.2	28.1	29.4	–	18.4	22.9	24.3	–	24.5	34.4	35.6	–
Japan	3.4	4.4	4.1	4.8	3.6	3.8	3.7	5.4	3.3	4.9	4.5	4.4
Spain	24.5	42.2	45.4	44.6	24.7	40.7	42.9	42.7	24.1	44.2	48.8	47.2
Sweden	3.7	6.6	6.3	7.5	3.2	6.4	6.5	6.7	4.2	6.8	6.1	8.4
United Kingdom	9.9	20.6	19.9	19.7	10.4	23.0	23.4	22.5	9.3	17.5	16.6	16.1
United States	11.5	11.5	11.1	10.4	12.5	11.9	11.4	10.3	10.3	10.9	10.7	10.5

Source: Freedman, D., 'Youth employment outside Africa: an overview', Paper presented to a JASPA Regional Workshop, Buea, Cameroon, November 1986.

Table 6: Unemployment rates in selected countries of Latin America and Asia, by age group

Age	Colombia[a] 1980	Costa Rica 1982	Panama 1980	Hong Kong 1981	Malaysia 1980	Philippines 1978	Sri Lanka 1981
15–19	24.1[b]	18.3	17.8	6.5	17.8	10.5	44.2
20–24	13.6[c]	11.1	14.8	4.0	8.5	10.1	34.9
Over 24	4.4[d]	4.8	5.4	3.6	4.2	3.3	3.3

[a] Urban unemployment: refers to 7 main cities.
[b] Age group 12–19.
[c] Age group 20–29.
[d] Age group over 29.

Source: ILO, Report V, *Youth*, International Labour Conference 72nd Session, Geneva, 1986, p 49, as derived from national censuses and labour force surveys.

Table 7: Ratio of youth to adult unemployment rates, selected countries, years of labour force survey

Country	Ratio	Country	Ratio
Australia (1985)	2.5	Mauritius (1984)	2.6
Canada (1985)	1.9	Trinidad & Tobago (1985)	3.1
United States (1985)	2.5	Barbados (1983)	3.5
France (1984)	3.7	Uruguay (1984)	3.2
FR of Germany (1984)	1.4	Costa Rica (1985)	2.8
Sweden (1985)	2.5	Panama (1984)	3.2
Italy (1985)	6.7	Philippines (1985)	3.1
Japan (1985)	2.1	Singapore (1985)	2.2
New Zealand (1981)	4.5	India (1981)	4.3
Seychelles (1985)	2.3	Bangladesh (1983–84)	2.1

Source: ILO: Yearbook of Labour Statistics, Geneva, 1986; for Bangladesh, Bangladesh Labour Force Survey, 1983–84.

Table 8: Share of teenagers and young adults in total unemployment, selected developed countries, 1960–1985

Country	Share, all youth (%)				Percentage point Change	Percentage point Change	Share, teenagers (%)				Percentage point Change	Percentage point Change	Share, aged 20–24 (%)				Percentage point Change	Percentage point Change
	1960	1970	1979	1985	1970–85	1979–85	1960	1970	1979	1985	1970–85	1979–85	1960	1970	1979	1985	1970–85	1979–85
United States	34	48	49	39	−9	−10	18	27	26	18	−9	−8	15	21	23	21	0	−2
Canada	35	45	47	36	−9	−11	18	25	24	14	−11	−10	16	20	23	21	+1	−2
Australia	52(a)	44	56	46	+2	−10	38(a)	27	35	24	−3	−11	14(a)	17	21	22	+5	+1
Japan	29	37	21	22	−15	+1	13	10	6	7	−3	+1	16	27	15	15	−12	0
France	34(b)	37	40	41(c,d)	+4	+1	22(b)	17	15	..	..	..	13(b)	20	24	39(c,e)	+19	+15
Germany	22(b)	34	28	26(c)	−8	−2	7(b)	22(f)	13	8	−14	−5	15(b)	12	15	18	+6	+3
United Kingdom	28(g,h)	32(h,i)	41(h,j)	38(l)	+6	−3	—	15(i,k)	28(j,k)	16(l)	+1	−12	–	16(i,k)	16(j,k)	22(l)	+6	+6
Italy	56(a)	61	66(j)	60	−1	−6	36(a)	30	33(j)	26	−4	−7	21(a)	31	33(j)	34	+3	+1
Sweden	33(m)	34	40	32	−2	−8	20(m)	17	20	8	−9	−12	13(m)	17	19	24	+7	+5
Mean	32.3	41.3	43.1	38.3			21.5	21.1	22.2	15.0			15.4	20.1	21.0	24.7		

(a) 1964. (b) 1963. (c) 1984. (d) Relates to age 0–24. (e) Relates to age 18–24. (f) Exceptional figure. (g) 1961. (h) Survey data adjusted to US concept. (i) 1971. (j) 1978 (k) Data for registered unemployed. (l) Data for claimants at unemployment benefit offices. (m) 1962.

Source: derived from Sorrentino, C., 'Youth Unemployment: an International Perspective', Monthly Labour Review, July 1981, Table 2; figures for 1985, ILO Yearbook of Labour Statistics, Geneva, 1986.

Table 9: Ratio of youth unemployment rates to adult unemployment rates for selected years

	1960	1970	1979	1985
USA	2.55	3.33	3.00	2.49
Canada	1.91	2.38	2.41	1.89
Australia	3.00(a)	2.08	3.51	2.49
Japan	1.40	2.22	1.89	2.06
France	2.55(b)	2.40	3.46	3.70(c)
Germany, FR	1.00(b)	2.50	1.56	1.39(c)
United Kingdom	1.41(d)	1.85(e)	2.98(f)	2.18(g)
Italy	4.87(a)	6.80	9.70(f)	6.68
Sweden	2.25	2.23	3.40	2.52
Arithmetic mean	2.33	2.87	3.55	2.82

(a) 1964. (b) 1963. (c) 1984. (d) 1961. (e) 1971. (f) 1978. (g) July 1985.

Source: Figures for 1960–79 derived from Sorrentino, C., 'Youth Unemployment: an International Perspective', Monthly Labour Review, July 1981.
Figures for 1985 from ILO Yearbook of Labour Statistics, 1986, except for United Kingdom which is from UK Dept. of Employment, 'Employment Gazette', August 1986.

Table 10: Urban unemployment rates by age group in selected developing countries

Age group (years)	Unemployment rates (per cent)					
	Nigeria (both sexes)		Botswana		Zambia 1980	
	1974	1983	1981 male	1980 female	male	female
15–19	20.7	47.2	24.4	36.1	78.8	90.4
20–24	11.4	28.0	12.8	25.6	40.7	59.9
25–29	4.9	2.7	8.1	17.1	14.7	34.1
30–34	1.8	2.2	6.9	12.4	9.1	28.9
35–39	1.4	1.7	5.2	10.9	8.0	30.3
40–44	3.0	0.8	..	..	8.2	34.3
45–49	1.2	0.0	..	..	8.6	39.4
50–54	0.9	1.3	..	..	10.9	51.8
55–59	0.0	2.7	4.2	6.1	15.8	59.9
Total, all age groups	6.2	7.3	9.5	20.8	..	..

Sources: Nigeria: National Manpower Board, *Labour Force Sample Survey*, 1983.
Botswana: *Population and Housing Census*, 1981.
Zambia: *Census of Population*, 1980.

Table 11: Unemployment rates by residence, sex and age-group, selected developing countries

Age Group	Rural Male	Rural Female	Urban Male	Urban Female	Rural	Urban	Male	Female	All
Bangladesh—1983–84									
15–24	4.01	13.62	6.34	10.00	4.87	6.97	4.30	13.11	5.12
All ages	1.37	7.88	3.00	5.20	2.36	3.23	2.03	7.41	2.48
India—January–June 1983									
5–14	2.62	1.50	8.93	2.77	2.17	6.79	3.37	1.63	2.68
15–29	5.06	3.37	12.46	17.68	4.54	13.39	6.97	5.43	6.54
30–44	0.63	0.71	1.29	2.60	0.66	1.51	0.81	0.98	0.86
45–59	0.33	0.57	0.94	1.43	0.40	1.03	0.47	0.69	0.53
60+	0.40	0.99	1.07	0.20	0.52	0.88	0.51	0.85	0.58
All ages	2.32	1.76	5.95	8.14	2.15	6.35	3.20	2.65	3.04

Note: The rates are numbers of unemployed as percentages of the corresponding labour force.

Sources: Bangladesh Labour Force Survey, 1983–84.
India's Seventh Five-Year Plan, 1985–90, Vol II page 122.

Table 12: Projections of youth population aged 15–24 by major area

	Youth (millions)				as % of total population			
	1970	1985	2000	2025	1970	1985	2000	2025
Developed countries	175	186	175	180	16.7	15.9	13.7	12.9
Developing countries	492	755	881	1,117	18.6	20.6	18.2	16.4
Africa	67	106	168	334	14.0	19.1	19.3	20.7
Latin America	54	82	104	127	18.9	20.2	19.0	16.4
North America	390	44	40	46	18.6	16.7	13.6	12.9
Asia	390	584	623	670	18.6	20.7	17.6	14.8
China	158	237	188	185	19.0	22.4	15.0	12.6
India	100	149	184	180	18.0	19.7	19.1	14.6
Japan	20	17	16	17	19.0	14.2	12.5	12.6
Arab countries[a]	12	20	32	51	18.8	19.6	14.5	18.9
Europe	71	77	67	63	15.5	15.7	13.1	12.1
Oceania	3	4	5	5	17.7	17.9	15.5	14.3
USSR	40	44	48	52	16.7	16.0	15.1	14.1

(a) Western South Asia region, excluding Israel, Cyprus and Turkey, but including Iran.

Source: ILO Economically Active Population Estimates and Projections, 1950–2025, Vol. I–V, 3rd ed. Geneva, 1986.

Table 13: Projections of economically active youth by major area, 1970–2025

	Economically Active Youth (millions)				as % of total economically active population			
	1970	1985	2000	2025	1970	1985	2000	2025
World	424	580	604	712	26.5	26.8	21.9	19.5
Developed countries	105	111	101	104	22.0	19.5	16.4	16.4
Developing countries	319	469	503	608	28.5	29.4	23.5	20.2
Africa	42	61	94	181	28.4	28.5	29.6	27.8
Latin America	27	41	51	63	29.7	29.3	25.5	20.5
North America	23	28	25	28	24.0	21.5	17.0	17.7
Asia	262	374	365	370	28.1	28.8	21.7	17.5
China	133	196	152	140	31.1	31.7	20.0	17.3
India	55	74	87	80	24.6	25.3	22.6	15.7
Japan	12	8	8	8	22.6	13.3	12.5	13.1
Arab countries[a]	5	8	13	22	29.4	27.6	26.5	21.8
Europe	45	46	39	37	22.1	20.4	16.4	16.1
Oceania	2	3	3	3	28.0	25.9	21.4	19.7
USSR	24	27	27	29	20.5	18.9	17.4	16.6

(a) Western South Asia region, excluding Israel, Cyprus and Turkey, but including Iran.

Source: ILO Economically Active Population Estimates and Projections, 1950–2025, Vol. I–V, 3rd ed. Geneva, 1986.

Table 14: Urban and rural youth population projections 1970–2000

Youth Population	1970		1984		2000
World:					
Urban (000)	264,838		409,932		565,219
Rural (000)	396,166		511,840		496,300
Urban (%)	40.1		44.5		53.2
Annual growth rate:					
Urban		3.1		2.0	
Rural		1.8		−0.2	
Developed countries:					
Urban (000)	125,256		145,927		145,406
Rural (000)	49,543		41,356		28,583
Urban (%)	71.7		77.9		83.6
Annual growth rate:					
Urban		1.1		0.0	
Rural		−1.3		−2.3	
Developing countries:					
Urban (000)	139,582		264,005		419,813
Rural (000)	346,623		470,484		467,717
Urban (%)	28.7		35.9		47.3
Annual growth rate:					
Urban		4.6		2.9	
Rural		2.2		0.0	
Africa:					
Urban (000)	17,225		36,689		80,672
Rural (000)	48,467		65,508		89,397
Urban (%)	26.2		35.9		47.4
Annual growth rate:					
Urban		5.4		4.9	
Rural		2.2		1.9	
Latin America:					
Urban (000)	31,880		55,976		80,944
Rural (000)	21,692		24,424		23,873
Urban (%)	59.5		69.6		77.2
Annual growth rate:					
Urban		4.0		2.3	
Rural		0.8		−0.1	
North America:					
Urban (000)	30,749		35,972		34,247
Rural (000)	9,744		8,908		6,279
Urban (%)	75.9		80.2		84.5
Annual growth rate:					
Urban		1.1		−3.0	
Rural		−0.6		−2.2	

Table 14—*continued*

Youth Population	1970		1984		2000
East Asia:					
Urban (000)	54,730		89,827		102,126
Rural (000)	128,317		165,946		117,260
Urban (%)	29.9		35.1		46.6
Annual growth rate:					
Urban		3.5		0.8	
Rural		1.8		−2.2	
South Asia:					
Urban (000)	50,136		94,908		169,016
Rural (000)	152,847		217,004		238,484
Urban (%)	24.7		30.4		41.5
Annual growth rate:					
Urban		4.6		3.6	
Rural		2.5		0.6	
Europe:					
Urban (000)	47,462		56,530		52,943
Rural (000)	23,944		20,299		14,032
Urban (%)	66.5		73.6		79.0
Annual growth rate:					
Urban		1.2		−0.4	
Rural		−1.2		−2.3	
Oceania:					
Urban (000)	2,455		3,428		4,005
Rural (000)	971		940		845
Urban (%)	71.7		78.5		82.6
Annual growth rate:					
Urban		2.4		1.0	
Rural		−0.2		−0.7	
USSR:					
Urban (000)	30,298		36,602		41,265
Rural (000)	10,187		8,811		6,131
Urban (%)	74.8		80.6		87.1
Annual growth rate:					
Urban		1.4		0.7	
Rural		−1.0		−2.3	

Source: United Nations, 'The Situation of Youth in the 1980s and Prospects and Challenges for the year 2000', ST/ESA/186, New York, 1986.

Table 15: Unemployment rates by educational levels—selected developing countries (%)

Malawi (1977)[1]

Level of Education	Urban				Rural			
	15–19		20–24		15–19		20–24	
	Male	Female	Male	Female	Male	Female	Male	Female
Never attended school	8.0	4.3	6.6	2.1	4.2	1.3	2.4	0.6
Primary school	6.8	12.2	9.6	9.0	3.8	2.1	4.3	1.1
Secondary school	2.1	7.4	12.0	17.7	2.2	5.5	12.4	19.0

Indonesia (1980)[2]

	Urban (all ages)		Rural (all ages)	
	Male	Female	Male	Female
No school	1.0	0.7	0.7	1.8
Some primary	2.2	2.9	0.9	2.1
Completed primary	2.9	4.5	1.3	2.4
Lower secondary	3.6	6.1	2.2	4.4
—academic	3.7	6.8	2.4	4.7
—vocational	3.1	3.3	1.7	3.5
Upper secondary	4.8	7.9	2.7	5.3
—academic	4.4	10.2	3.2	10.0
—vocational	5.2	6.4	2.3	4.0
Tertiary	1.4	5.4	1.0	2.3
Average	2.9	3.5	1.1	2.1

Egypt (1976)[3]

	Total (all ages)
Illiterate	2.52
Read and write	2.47
Primary	6.91
Secondary	19.90
University	10.80

Sources: 1. Livingstone (1987) derived from Malawi's Population and Housing Census, 1977.
2. Leonor (1985) derived from Indonesia, 1980 Population Results of sub-sample of Census, Series S.1.
3. Leonor (1985) derived from Egypt's 1976 Population Census.

Chapter 3

Causes of Youth Unemployment

3.1 There is wide agreement that in almost all countries youth is an especially vulnerable category within the labour-force; also that in many of them, particularly in the Third World, the problem of youth unemployment and underemployment is likely to remain serious, thus representing a major policy challenge.

3.2 The causes of youth unemployment are not very different from those of general unemployment, although some special factors lie behind the usually higher rates of youth unemployment. The causes might be considered at two levels. The first relates to underlying structural characteristics and trends, such as the growth of the economy and of labour productivity (affecting the demand for labour), and of population and the labour-force (the supply). The second level relates to specific policy measures—ranging from the qualitative aspects of macro-economic management to education and training—which can bring demand and supply into closer balance and influence demand more dynamically through their effect on enterprise and innovation. Unemployment may occur at any given wage level whenever these factors result in the supply of labour exceeding the demand for labour. Its reduction, by way of adjustment and other policies and measures to increase the growth of demand for labour and to moderate the growth of its supply, is the subject of the next chapter.

3.3 To put youth unemployment into context we look first at the underlying structural causes of general unemployment, emphasising those which are amenable to action through government policy measures, while still according due recognition to those—which may be more important—that represent deeper problems. We then draw attention to those factors which have caused youth unemployment to be considerably higher than general unemployment, recognising however that the great majority of youth—at least in developed countries—do successfully make the transition from school to productive work. This is followed by some discussion of factors influencing the number of youth available for work. Finally we draw attention to the importance of mismatches between the number and characteristics of youth and those of work opportunities available to them.

3.4 We should again stress one of the main conclusions of the previous chapter, that the incidence, duration and other characteristics of youth unemployment vary considerably, not only between but among developed and developing countries (especially developing countries) and within them. It follows that the causes of youth unemployment in one country or set of countries are not necessarily the same as in another. Nevertheless, there are similarities.

I. A FRAMEWORK FOR ANALYSIS

3.5 To take account of the differences and similarities in the causes of youth unemployment we believed it would be helpful to differentiate between countries according to the structure of their economies. To do so we considered criteria which had implications for employment policy. These include income levels; GDP size and structure; population and labour-force; land size; degrees of industrialisation and urbanisation; and extent of literacy and general education. Many categories of country can be distinguished but we draw attention to five in particular.

3.6 The first category are the *high-income countries* with low to moderate growth rates in the labour force, and high levels of industrialisation, urbanisation and literacy/general education. This is the position of most developed countries, including those in the Commonwealth; and though their individual situations may differ in certain respects, the fundamental features of their economies and societies have much in common.

3.7 The second are the *low-income countries* with populations which are large and of high density, and with moderate to high labour-force growth rates and low levels of industrialisation and urbanisation. These are the classic labour surplus, land deficit economies such as India and Bangladesh in Asia, and parts of Keyna and Nigeria in Africa. A distinction might be made between those countries where literacy and general education are at a high level (e.g. Sri Lanka, parts of India) and the others. Arable land is scarce in these countries and despite the advances associated with the 'Green Revolution', agriculture has not expanded fast enough to absorb all the unemployed and underemployed rural labour force, many of whom, being landless, have migrated to the towns, especially in South Asia. These countries still face enormous problems in sustaining the expansion of employment.

3.8 The third group are the *low- or middle-income countries* which often have comparatively small populations of low density but high growth rates; they also have low levels of industrialisation and urbanisation and the level of literacy/general education is generally low. This is the position of many of the land surplus countries of Sub-Saharan Africa; but that large group of countries contains within it some important special cases of relatively high-income economies based on mining/energy (e.g. Nigeria) and of localised land 'hunger' (e.g. parts of Kenya). Many of these countries have experienced very low economic growth rates during the last decade—generally below those of the population and the labour-force[1]—and in some cases, negative growth. The employment consequences have been severe, especially in the public sector, where deteriorating public finances in some countries have caused a cessation of recruitment of secondary school-leavers by their traditional major outlet, the civil service, despite the continued increase in their number.[2]

3.9 A fourth category are the *middle-income countries* with high and rapidly rising levels of urbanisation, industrialisation and literacy/general education, but very different levels and rates of growth of population and labour force. These include many Latin American and Caribbean countries (such as Barbados and Jamaica), and East and South-east Asian countries (such as Hong Kong and Singapore). Some of them are newly industrialising countries (NICs) for whom a dynamic world economy is essential to absorb the burgeoning numbers of youth in the town and cities. Those NICs with small populations (like Singapore) are necessarily very dependent on exports, but even those with large internal markets, such as Brazil, remain vulnerable to the external environment.

3.10 Finally, there are the *small states*. These may be of low- or middle-income, but all have very small populations, and low levels of urbanisation and industrialisation. This is the position of some islands in the Pacific, like Tonga or Western Samoa, of the Seychelles and Maldives in the Indian Ocean and of the smaller Caribbean islands such as St Lucia. It is also the position of certain land-locked countries like Lesotho or Botswana in Africa. These small states have particular problems arising from the limited amount of land available and a narrow resource base, and often from the isolation or other disadvantages of their location.[1] But they differ greatly in income levels and extent of literacy and general education. The smallness of these countries' economies have made their cash sectors especially vulnerable to international economic developments; and the kinds of disadvantage referred to above, combined with generally high rates of population growth, have led to considerable youth unemployment, underemployment (especially in the rural areas) and emigration.

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[1] One prominent exception is where minerals—especially petroleum—are found. But even in these cases the higher rates of economic growth generated by mineral exploitation have not usually been spread widely enough to create much extra employment in the economy as a whole.

[2] As reported at an ILO sponsored workshop on youth employment promotion, held at Buea, Cameroon, in 1986.

3.11 Economic growth and increases in employment opportunities in the various categories of country set out above are not however independent of each other. In an interdependent world, all countries' economies interact with each other, albeit to differing degrees. High growth rates in the developed countries may thus increase demand for primary products and manufactures in the developing countries, and consequently their employment possibilities. Equally, recession in the developed countries may have the opposite effect.

II. FACTORS AFFECTING THE DEMAND FOR YOUNG PEOPLE'S LABOUR

1. Rates of Economic Growth and Levels of Development

3.12 In considering differences in rates of unemployment between countries, or between one period and another, it may be useful to highlight some of the basic economic problems which all societies face in the area of employment. They include maintaining a balance between the growth of demand for and supply of labour; between the interests of those in work and those out of work; and between employment generation and wealth creation and distribution.

3.13 To reduce unemployment in the usual situation where the labour force is growing, the rate of growth of GDP has to exceed that of labour productivity by more than enough to absorb the increase in the labour force. As technical progress is raising labour productivity in most economies by around 2–3 per cent per annum, and as the annual rate of increase of the labour force may be as high as 3 per cent, growth rates of at least 5–6 per cent are required for many developing countries to begin to reduce unemployment and underemployment. While productivity increases are important for improving living standards for those in employment, it is equally important that these improvements are not secured through investment in technologies and capital-intensive processes which are inappropriate in relation to the general resource endowment. In some developing countries, capital-intensive raw material production and processing contribute much to increasing output but very little to expanding employment; sometimes they even reduce employment in other sectors through their influence on wage levels. Increases in agricultural yields are a form of productivity improvement which can be employment-creating, especially if they take place without commensurate mechanisation. Some types of service industry, such as tourism, are fairly labour-intensive but in others, such as banking, labour absorption is being adversely affected by new technologies.

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[1] Commonwealth Secretariat, 'Vulnerability: Small States in the Global Society', Report by a Commonwealth Consultative Group, London, 1985.

3.14 The marked slow-down and severe fluctuations in the rate of growth of the global economy in the decade since the mid-1970s have adversely affected labour demand in both developed and developing countries. There has been a substantial increase in unemployment in most countries, as well as in underemployment in many developing countries. Although there are no global statistics of employment or unemployment (or underemployment), the increase in total unemployment can be inferred from Table 3.1 (page 58). This shows that comparing 1973–84 with 1965–73, aggregate growth of GDP slowed by approaching one-half, whereas that of the labour force accelerated very slightly. In the absence of any marked change in the rate of growth of productivity of those employed, this would infer that the average rate of unemployment in the later period was considerably greater than in the earlier one.

a) *Developed countries*

3.15 In the high-income developed countries, the tendency for low rates of economic growth to be associated with high rates of youth (and total) unemployment (and conversely) is obvious from Table 3.2 (page 59). This lists a dozen OECD countries ranked according to their average economic growth during 1980–85 and compares that variable with their average rates of youth and total unemployment in the same period (the ranking is indicated by the figures in brackets). During this period, four countries stand out as exceptions to an otherwise 'close' correlation. Both Germany and Sweden had abnormally low rates of youth unemployment in relation to GDP growth (possibly a result of their apprenticeship systems and job guarantee schemes, respectively, as we discuss below). Spain and Italy, on the other hand, had exceptionally high rates of youth unemployment, even considering the low rates of economic growth they experienced.

3.16 But a simple comparison, as above, between economic growth and youth unemployment rates omits the independent contribution of trends

3.16 But a simple comparison, as above, between economic growth and youth unemployment rates omits the independent contribution of trends in productivity growth of those in work.[1] For various reasons, related partly to technological change, capital-intensive investment and attempts to reduce labour costs,[2] this has been rising in the OECD area during recent years. Measurement is subject to many difficulties (and no data are available on youth productivity), but in a crude form the difference between rates of growth of GDP and of overall employment gives some indication of the trends and magnitudes. Table 3.3, calculated on this basis, shows a marked fall in labour productivity in OECD during the 1980–82 recession but a strong rise during the following three years.

Table 3.1: GDP, population and labour force growth rates
(annual averages, percentages)

	1965–73	1973–84
Low-income economies		
GDP	5.6	5.3
Population	2.6	2.0
Labour force	2.3	2.2
Middle-income economies		
GDP	7.4	4.4
Population	2.5	2.4
Labour force	2.2	2.6
High-income petroleum exporters		
GDP	9.0	4.5
Population	4.5	5.1
Labour force	4.0	5.6
Industrial market economies		
GDP	4.7	2.4
Population	1.0	0.7
Labour force	1.2	1.2

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[1] As well as being an exogenous factor, labour productivity is also related to economic growth, being both a cause and to some degree a consequence of a rise in output.

[2] Labour costs, determined broadly by relating labour productivity to wage and other expenditures incurred by employers in hiring workers, are clearly an important factor in limiting the demand for labour. As far as youth are concerned, we deal with this factor in more detail below (para 3.20–3.22).

Table 3.1—*continued*

	1965–73	1973–84
Total above groups		
GDP	5.2	2.9
Population	2.3	1.9
Labour force	2.1	2.2

Source: World Bank, World Development Report, 1986, except total of above groups which has been calculated by the Commonwealth Secretariat by weighting the averages of the component data.

Table 3.2: Rates of GDP growth and youth unemployment, selected OECD countries, average 1980–85
(percentages)

	GDP growth	Youth unemployment	Total unemployment
France	1.1 (1)	20.1 (4)	8.3(5)
United Kingdom	1.2 (2)	20.3 (3)	10.5(2)
Germany, FR	1.3 (3)	8.3 (9)	6.4(8)
Spain	1.4 (4 =)	37.7 (1)	16.6(1)
Italy	1.4 (4 =)	30.2 (2)	9.2(4)
Sweden	1.8 (6)	6.5 (11)	2.8(10)
United States	2.1 (7)	14.6 (6)	8.0(6)
Canada	2.2 (8)	16.6 (5)	9.9(3)
Australia	2.8 (9)	14.1 (7)	7.6(7)
Finland	3.2 (10)	10.0 (8)	5.7(9)
Norway	3.3 (11)	7.2 (10)	2.5(11)
Japan	4.3 (12)	4.0 (12)	2.4(12)

Source: Calculated from annual data in OECD Economic Outlook, December 1986 (Table R1) and OECD Employment Outlook, September 1986 (Table 10) and OECD Quarterly Labour Force Statistics, Paris, 1986.

Table 3.3: OECD: Growth of GDP, employment and productivity
(percentages, annual figures or annual averages)

	1973–75	1975–79	1980–82	1983	1984	1985
(1) GDP	2.0	3.0	0.7	2.6	4.7	3.0
(2) Employment	0.2	1.5	−0.1	0.2	1.9	1.2
(3) Productivity *a* ((1)–(2))	1.8	1.5	0.8	2.4	2.8	1.8

a Productivity of the employed labour force.

Source: Calculated from annual data in OECD Economic Outlook, December 1986 (Table R1) and taken from OECD Employment Outlook, September 1986 (Table A).

3.17 So far, we have only considered the developed countries' broad economic situation, and have sidestepped specific factors which might explain why youth unemployment is higher than general unemployment. One possibility might be that youth has been disproportionately affected by recent structural changes in the economies of these countries. But a recent OECD study[1] of a sample of member countries found that changes in industrial structure in selected years between 1970 and 1983 meant that industries which are large employers of youth actually grew faster than average, and that the diminishing share of youth employment in total employment was accounted for mainly by youth's declining share of employment within each sector. There are exceptions, however, and in some cases the 'structural effect' has been both adverse and quantitatively more important that the 'share effect'. In Australia, for example, the recent contraction of the public sector, in which teenagers had obtained about half the entry-level jobs, resulted in a decrease in their share to around a fifth of these jobs.

b) *Developing countries*

3.18 The concept of unemployment—whether of youth or older members of the labour force—has limited application to many developing countries, for the reasons set out in the previous chapter. Nonetheless there are major changes in the extent and degree of underemployment.

3.19 As in developed countries, economic growth can be used as a proxy for labour demand, although the much higher rates of growth of the population, and therefore of the labour force, mean that the economy has to expand that much faster in order to stop unemployment, and underemployment, from rising. Apart from the higher rates of increase of labour, structural factors intervene to make a reduction of unemployment and underemployment particularly difficult in many developing countries. Agriculture absorbs a high proportion of the labour force in most of these countries but—as in developed countries—this proportion declines during the course of development. In a typical low income country, where about three-quarters of the labour force is absorbed by agriculture, if the labour force expands by 2 per cent per annum and there is no increase in employment in agriculture, employment in the non-agricultural sectors must expand by 8 per cent if there is to be no increase in total unemployment. This might require an even higher growth rate in employment in manufacturing, as at low levels of development that sector tends to absorb less than 10 per cent of the labour force. Given the strict limitations on the numbers that the manufacturing sector can usually absorb, employment generation in agriculture is absolutely crucial in many developing countries, and particularly for those with low incomes, if they are to prevent a premature exodus to urban areas. But increases in the labour force also require fast expansion in the other sectors—including the informal urban sector—since agriculture will inevitably make a (relatively) declining contribution to employment. It is apparent from Table 3.1 that the aggregate rates of economic growth of all broad categories of developing countries have slowed down in the last decade.

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[1] See OECD, Employment Outlook, September 1986, p 118.

2. **Factors Particularly Affecting Youth**

3.20 Apart from the economy-wide influences on labour demand, reviewed above, certain additional factors may be especially relevant in explaining why the demand for the labour services of youth is usually less than that for labour in general. In the developed countries much of the debate has centered on the extent to which differentials in the wage and other costs of employing youth compared with other workers have been a major factor. Such a comparison should of course also take account of the relative productivity, flexibility and 'trainability' of the two groups.

3.21 As far as wage relativities are concerned, one OECD study[1] concluded that increases in youths' wages relative to those of other groups appeared to have reduced their share of the employed labour force. The study attributed partial responsibility for these results to raising the minimum wages for youth workers, lowering the age for payment of adult wages, and the influence of trade union activity. It also suggested that the degree of downward flexibility in wages had been important in avoiding disproportionate levels of youth unemployment. The study did, however, note that it would be premature to conclude that these factors alone had been a major cause of the sharp deterioration in the relative labour market position of the young. In this respect it may be noted that another OECD study,[2] on the impact in France of minimum wages (the SMIC), produced little evidence that these had resulted in a significant displacement of youth. Yet other studies[3] have concluded that wage costs and lack of flexibility cannot be seen as a direct cause of unemployment and that the relationship between youth wages and employment levels is not proven. Indeed some recent research has indicated that OECD countries which have experienced the greatest fall in real wages have also had above average unemployment rates, and that factors such as demand and high interest rates have had a bigger influence than wages. This conclusion is reinforced by a recent European Commission study[1] of employers' attitudes which showed that in the United Kingdom less than one employer in ten thought that wage restraint or abolition of minimum wage rates (for example in industries covered by wage councils) would have a significant effect on jobs. Taken together, the evidence on the influence of wages is inconclusive.

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[1] OECD, 'Flexibility in the Labour Market', Chapter IE, Paris, 1986.

[2] OECD Occasional Studies, 'Effects of the Minimum Wage in the Youth Labour Market in North America and France'; Paris, June 1983.

[3] See, for example, OECD, 'Labour Market Flexibility' (Report by a High-level Group of Experts chaired by Ralf Dahrendorf), Paris, 1986; ETUI, 'Flexibility and Jobs: Myths and Realities', Brussels, 1985; ETUI, 'Jobs for Young People', Brussels, 1984; Guy Standing, 'Unemployment and Labour Market Flexibility: the United Kingdom', ILO, 1986.

3.22 As regards employers' insurance charges, payroll taxes and other non-wage costs (whose share of total labour costs varies from less than 10 per cent in Australia, Canada and Japan, to some 25 per cent in France, Italy and Sweden), only limited information is available on their impact on the demand for youth compared with other categories of labour. The OECD study cited at the beginning of para 3.21[2] did, however, note that in most developed countries there are taxes, such as the payroll tax in Australia, which are not differentiated according to wage levels. There may also be some causality between the willingness to hire youth and the existence of increased job security arrangements (a Germany study[3] attributed part of the increase in youth unemployment to job protection regulations). Similarly, while the mobility of youth (discussed below) may help an individual to gain employment, it can lead to higher turnover costs for employers, who may therefore prefer to employ older workers. The evidence is unclear, however, because much of the turnover appears to be involuntary, with youth shouldering a disproportionate share of employers' efforts to adjust to cyclical or structural changes.[4] Indeed some studies have indicated that greater labour market flexibility may even have reduced full-time employment; it can also result in the creation of a high degree of labour 'insecurity', and result in a reduction of previous accepted minimum wage and employment conditions, such as those established in ILO labour standards.[5]

3.23 There would, however, appear to be some causal relationship between the inexperience of paid work which is characteristic of most youth, combined in some cases with their lack of employable skills, and the rate of unemployment which they suffer. Some studies have suggested correlations between the variations in levels of youth unemployment and the differences in national emphasis on general and more vocational education, particularly the existence of an apprenticeship system. The low rate of youth unemployment in Germany, for example, has been ascribed to that country's strong apprenticeship system, while the high rate in Italy might be associated with that country not having a well-developed system of vocational training institutions.[1]

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[1] European Commission, 'European Economy', No 27, Paris, March 1986 (page 12).

[2] OECD 1986, op. cit.

[3] K. Von Dohnanyi, 'Education and Youth Employment in the Federal Republic of Germany', 1978.

[4] OECD, 'The Nature of Youth Unemployment', Chapter 1, Paris, 1984.

[5] Guy Standing, op. cit.

3.24 One explanation may lie with different management attitudes towards the importance of long-term improvement in industrial productivity. For example, in Britain employers have cited productivity differentials as a reason for holding-back on employing youth, but in Germany, where there are similar differences in productivity, rates of youth unemployment are relatively low, probably because the number of apprenticeships are relatively high. Wider surveys appear to show that the importance employers attach to productivity varies widely. Yet in a more restricted labour market, the employers' perception of relative levels of productivity and costs may well be important, whether that perception is or is not well-founded. It is possible that in a longer-term sense, the productivity of youth is often underestimated and that their average level of skills may be increasing—contrary to many employers' perceptions in some countries, including Australia and Britain. In any case if there is a problem of high costs in hiring youth, part of a positive approach might be to concentrate on improving the productivity of young people through improved training.

3.25 The above analysis has related entirely to developed countries, although many of the points are to varying degrees also applicable to the modern (wage) sector of developing countries. But there are in addition many factors which cause youth particular difficulty in gaining self-employment, in developed and developing countries alike, especially in the informal urban and rural sectors of the latter. Inadequate access to productive resources is common to all of them; but in any attempts to establish independent productive units, youth also suffer special problems as a result of land tenure systems in some countries (especially in Latin America) and age-related hierarchical attitudes and traditions in others (especially in the Pacific).

3.26 Social attitudes can also have important effects on the demand for the labour of young people, especially racial minorities and immigrants. The ratio of jobless black youth to jobless white youth in the United States in 1985, for example, was 1.7:1 for the 16–19 group and 1.9:1 for the 20–24 age group.[1] In the United Kingdom in the same year not only did the ratio exceed two to one but the level of unemployment among black youth was very high.[2] Similar and sometimes higher divergencies exist in other developed countries, including France, and also Australia and New Zealand, where aborigines and some migrant youth have experienced high rates of unemployment. In most cases the problem is aggravated by concentration in the inner cities and by considerable immobility. Some developing countries in Africa, Asia and the Western Hemisphere show similar divergencies, notably in parts of Latin America. In many countries social attitudes may also make it more difficult for young women to find employment.

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[1] C. Sorrentino, 'Youth Unemployment: an International Perspective', 1981.

3.27 We should, however, recognise that in respect of one cause of unemployment—structural and specifically technological change—youth may be at less of a disadvantage than other workers provided it can capitalise on those elements which give it greater occupational mobility and amenability to training than many older people may possess.

3. Technological Change

3.28 In both developed and developing countries the impact of technological change on employment works through alterations in the numbers and skills required; but there are also changes in the physical environment and organisation of work.[3] The first point to recognise is that it is very difficult to estimate with any precision what the quantitative effects will be. The experience of the developed countries suggests, however, that technological change is vital to promoting and facilitating economic expansion; and that its effects on the numbers at work depend more on the economic conditions under which the new technologies are introduced than on the technologies themselves. In the longer term, and taking an economy-wide perspective, these effects are likely to be positive, or at worst neutral, provided that technological change is properly managed.[4] Technological change may therefore be an important element in creating the overall economic growth which in the developing countries especially, is necessary to absorb the increasing numbers of youth entering into the workforce. This has certainly been the experience of the newly industrialising and similar developing countries.

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[1] ILO, Youth Report V, International Labour Conference, Geneva, 1986.

[2] See footnote 4, page 24.

[3] A more detailed examination of the impact of technological change, including the employment aspects, is contained in Commonwealth Secretariat, 'Technological Change: Enhancing the Benefits', Report by a Commonwealth Group of Experts, London, 1985.

[4] Ibid, Volume I, especially Part II, Chapter 2.

3.29 In the short term, however, and at a sectoral level, experience suggests significant job losses can occur as new products and processes are introduced. Some examples are in the formerly labour-intensive textile and clothing industries of developed and developing countries, where young women have borne the brunt of the cut-backs in employment caused by new automated processes based on micro-electronics technologies; the engineering, shipbuilding and motor vehicle industries, where new technologies have removed many of the school entry-level jobs traditionally available to young men; and the services sector, where many routine tasks have been eliminated by micro-electronics innovations (the Australian banking sector, for example, has substantially reduced the numbers of youth taken on as counter-staff). On the other hand, new opportunities for employment are constantly being created. In the rural sectors of developing countries, for example, new agricultural technologies can increase yields or enable the cultivation of marginal lands to be extended, while the application of new renewable sources of energy may enable agro-industries to develop in remote locations.

3.30 As far as skill requirements are concerned, technological change has operated in two opposing directions. Automation of some production processes has led to the 'deskilling' of certain operations; but at the same time it has created a demand for highly skilled workers and managers. One major cause of long-term unemployment has been the inability of some workers to acquire new skills through retraining or, in the case of school-leavers, difficulties in achieving the requisite level of literacy, numeracy and technological awareness. As the pace of technological innovation and structural change has quickened, so this particular cause of unemployment has become more important, in some developed countries especially.

3.31 Finally, the point should be made that technological change, whether linked to manufacturing investment or resulting from agricultural research and innovation, has not been evenly distributed between countries. Within Sub-Saharan Africa, for example, particularly the semi-arid countries with low population densities, where population growth has occurred against a very fragile resource base, the absence of technical progress and agricultural innovation has affected the capacity for effective labour absorption. The limited amount of technological change within estate monocultures may even involve some net substitution of capital for labour.

III. THE NUMBERS OF YOUTH AVAILABLE FOR WORK

3.32 The causes of youth—and other—unemployment have also to be sought in terms of factors increasing the supply of labour. Here the key element is the rate of growth of the labour force; this, in turn, is determined by demographic trends, by the age of entry into and departure from the labour force (i.e. by the duration of full-time education and, in those countries in which there are state or occupational pension schemes, by the age of retirement), and by other socio-economic considerations (e.g. the extent to which married women participate in the labour force). An additional element is the role of the education and training system in influencing the 'quality' of potential workers, and thus their actual and perceived 'employability'. In this section we look at each of these in turn.

1. Demographic Factors

3.33 The impact of demography on youth unemployment is obviously crucial. For one thing it is the underlying determinant of labour force trends; and for another, simple arithmetic shows that for any given level of output and productivity, and assuming no substitution between age groups, youth unemployment will increase if the number of people entering the labour force is greater than the number of older people leaving it. The relationship between the rate of growth of the population and that of the labour force is not a simple one, however, as Table 3.1 on page 58 shows. Not only can rates of growth between the two differ significantly, but changes in participation rates can be large enough to cause them even to follow divergent paths. Comparing 1965–73 and 1973–84, for example, it can be seen from Table 3.1 that though the growth rates of population slowed down in all categories except the high-income petroleum exporters (whose population represents a very small proportion of the global total), those of the labour force accelerated or remained constant in all categories except the low-income group (in which there was a marginal deceleration). This suggests that world-wide there was either a slight increase in the proportion of population who were of working age or a shift towards higher participation in the labour force. The latter may be more likely.

3.34 The typical age profiles and high birth rates of most developing countries have meant that their dependency ratio is much higher than in developed countries. This places a greater burden on those of working age in providing services for the young such as schooling. The high ratios of new entrants to established members of the labour force cause training difficulties and make it more difficult to absorb youth through workplace-based training.

3.35 A recent study by the OECD Secretariat[1] has drawn attention to 'generational crowding' as an explanation of periods of high youth unemployment in developed countries. This effect can best be measured as the ratio of the youth to the adult population within the labour force. It has resulted from the occasional periods of exceptionally high fertility ('baby booms') experienced at different times in OECD countries. In some of these it appears that the high rates of youth unemployment caused by a 'baby-boom' generation entering a weak labour market may follow this age group throughout its working life, i.e. that it may become a generational problem rather than a transitional one peculiar to youth.[2]

3.36 By the same token, however, because 'generational crowding' in developed countries has been cyclical, it will give way to a period of relatively low demographic pressure. The rate of growth of population in these countries is now projected to decline from an annual average of 0.7 per cent in 1973–84 to 0.5 per cent in 1980–2000 and, more important, that of their labour force from 1.2 per cent to 0.7 per cent between the same two periods.[3] As we pointed out in the previous chapter,[4] the number of youth in developed countries is projected to fall during the period 1985–2000.

3.37 We have also emphasised that developing countries face a much more profound demographic problem. Even past rates of growth of both population and labour force have been sufficiently high to have made it very difficult for these countries to avoid increasingly severe youth unemployment/underemployment. Thus, again comparing 1965–73 with 1973–84, average annual growth rates of population accelerated in Sub-Saharan Africa and declined only marginally in most middle-income and low-income countries (excluding China, whose population growth dropped steeply). As regards the labour force, that in the low-income countries (other than China and India) during 1973–84 grew on aggregate at almost twice the rate of 1965–73, while there was an acceleration also in the middle-income countries.

3.38 It will take a long time for developing countries to reverse these demographic trends, whatever happens to birth and death rates in the meantime. During the transition the problem of youth unemployment will worsen in many of them. First because the numbers involved are often very high; and secondly because changes in the education system, in the aspirations of youth and in urban migration patterns have all increased the pressure on the formal (modern) sector, which in most of these countries is relatively small. The attempt to absorb large numbers of youth in the informal urban (or rural) sector may, in effect, reduce average incomes. The increase in the numbers attempting to gain a livelihood is likely to be greater than that in the amount of work available or capable of being generated. Even the subsistence sector—important in some developing countries, including those in the Pacific—is not infinitely elastic. A lot more urgency will be needed in the application of family planning and other policies to contain rapid population growth if this is not to be the cause of much greater unemployment and underemployment of youth and others in the years ahead.

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[1] See Chapter V of OECD Employment Outlook, September 1986.

[2] This has important implications for policy, since education and training programmes in which participation is based on age, could conceivably worsen the competitive position of members of the 'generational crowding' group as they grow older.

[3] World Bank, World Development Report 1986 (Tables 25 and 30).

[4] See para 2.38.

2. Duration of Education and Training

3.39 The duration of schooling and of training schemes has a strong effect on the supply of youth seeking to enter the labour market. In some developed countries a difficult employment situation has resulted in increasing numbers of young people opting either to continue longer in school or to seek places in vocational training programmes because of a recognition of the greater emphasis by employers on higher qualifications, particularly of a technical nature. Special schemes of training and work experience for youth have also absorbed large numbers and have incidentially contributed to reducing the reported rates of youth unemployment.

3.40 In the developing countries the expansion of education and training has likewise been a major factor in postponing the entry of youth to the labour market and its involvement in job search. The remarkable rates of educational expansion over recent decades have served to raise the average age of school leavers and to withdraw considerable numbers from the labour market. But the proportion of the 15–24 age-group accounted for by full-time education and training is inevitably much less than in the developed countries because of well-known resource constraints. Data on secondary school enrolment (a reasonable proxy) in 1983 show that in low-income countries 31 per cent of the relevant age group were enrolled in secondary schools (13 per cent in Africa); in middle-income countries, 47 per cent; and in industrial market economy countries, 85 per cent.[1] The disparities in the proportion of youth enrolled in higher education were even more marked: 4 per cent (1 per cent in Africa), 12 per cent, and 37 per cent, respectively, for the three groups. Obviously these differences have an inevitable impact on the relative levels of literacy, numeracy, problem-solving ability and other attributes of education, and thus on the ability of a country to raise its labour productivity, economic growth, and youth (and other) employment.

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[1] World Bank, World Development Report, 1986 (Table 29).

3.41 The intensity of these trends has been restrained, however, by economic difficulties, causing governments to limit the expansion of education and training facilities. In the developing countries especially, resource constraints mean that the demand for education at all levels exceeds the available provision, limiting the capacity of the education system to absorb the unemployed and underemployed through educational attendance. Moreover, at times of economic hardship, the expense involved in studying may prevent many young people from continuing in education or training, especially if parents are unemployed. In face of these difficulties there will be a tendency to try and combine part-time work with part-time study and further training.

IV. MISMATCHES BETWEEN YOUTH AND WORK OPPORTUNITIES

3.42 Much of the debate on the causes of youth unemployment in developed countries has focused not on those factors which directly affect either the demand for or the supply of young people's labour, but rather on the mismatches which prevent a more effective absorption of youth into the labour market. In these countries the type of mismatch most frequently cited is that between the skills developed through schooling and other training, and the types of jobs available in the market. But there are many other well-known kinds of mismatch: for example, between youth's aspirations and its realisations; and between the location of youth and of work.

3.43 The mismatching of skills with available jobs is not, of course, a cause of unemployment or underemployment peculiar to youth, although it can have very marked impacts on persons at this crucial stage of their lives. Many people attribute this mismatch at least in part to the nature and content of education and training, which they would argue is insufficiently adapted to the rate of technological change. Most agree that education in developed countries does not fit the young very adequately for their future working lives, but there is less agreement on the remedies. Some argue that a more specialised vocational emphasis is required, while others hold that what is needed is a broad-based educational foundation to enhance adaptability and the ability to benefit from job-specific training at the point of entry to employment and from retraining during any subsequent change of occupation or of occupational content.[1] While it is by no means clear that the extent of this form of mismatching is any greater now that in the past,[2] the provision of initial skill training does seem to be more sensitive now to the overall condition of the economy.

3.44 In the developing countries, government policies emphasise the objective of gearing education more closely to work, but resource limitations often frustrate these intentions at the stage of implementation, if only because scientific and technical education (and training) are so much more expensive than classroom subjects, and teachers of science and vocationally-oriented subjects are in such short supply. Thus even in countries with declared policies in favour of making education more practical and relevant, college curricula often seem to bear little relationship to economic realities. Paradoxically, vocational training courses have often had difficulty in attracting recruits—though this is not always the case today—and have sometimes been unable to place their graduates in employment. This may reflect out-of-date equipment and methods of training; an insensitivity to changing technolgies, markets and consumer tastes; and low quality recruits and staff, perhaps due to the low valuation many societies have placed on semi-skilled and skilled trades. Teaching methods in general tend to be formal and geared to passing examinations, rather than to encouraging understanding and problem-solving. The 'paper qualifications syndrome' (where progressively higher qualifications are called for without reference to the needs either of the post or of the country) remains significant in many developing countries, and is reinforced by wage and other incentive structures (see below). It has often resulted in pressures on governments to devote extra resources to providing places in higher education, without any adequate justification from the point of view of the needs of the economy.

3.45 The education system in operation in most developing countries has also had an important influence on the second area of mismatch—between the aspirations (if not always the expectations) of educationally well-qualified youth and what most of them are likely to achieve. But the typical financial incentive structure which exists in developing countries has been even more important. This has strongly favoured the formal urban sector, and within it, 'white collar', clerical and administrative jobs, especially in the public service; and it has been buttressed by other attractions, notably a high measure of job security. For youth the result has often been manifest in urban migration, disillusionment and unemployment—or at best eking out a living in marginal occupations in the informal sector.

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[1] The special needs of the less academically talented pupils are not always met, and they may be provided merely with a 'watered-down' version of the pre-university curriculum.

[2] R. Layard, 'How to Beat Unemployment', Oxford University Press, 1986.

3.46 The third area of mismatch—between the location of most youth and that of the most favoured types of employment—is to some extent applicable to both developed and developing countries. In terms of overall numbers it is a particular logistical problem in developing countries, where the greatest increases in youth population are occurring in the rural areas where labour absorption is tending to decline. The resultant rural-urban drift has tended to continue beyond the limited opportunities of finding employment in urban areas, and it has usually resulted in an increasing number of deprived and disadvantaged youth. The phenomenon depends, however, on the potential migrants' perception of relative opportunities in town and country. Even where the incomes to be expected by youth in the urban informal sector appear quite low, land pressure or related 'push' factors such as drought may induce migration. Demographic factors combined with the long-term nature of urban drift has meant a marked increase in the number of urban-born youth, whose employment prospects will in many cases depend on finding work in the urban informal sector. As we have emphasised earlier, the rates of increase of population in some countries, especially in Africa, suggest that these problems will intensify in the future. In the developed countries the majority of youth and of jobs are already found in urban areas, although there is obviously regional mismatching. The effects of this become particularly noticeable when youth are regionally immobile and there is technologically-induced structural change, such as the decline of heavy industries.

3.47 Another factor which can cause youth unemployment (of a 'frictional' type) is deficiencies in the 'searching' process by which the young make choices about the type of work they wish to do. In some developed countries there have been suggestions[1] that the young are adopting a more selective attitude to employment, possibly due to the higher age at which most are leaving the education system, and are not rushing into the first available job (although this effect may merely represent a decline in the number of jobs which new graduates and, especially, school-leavers would normally have expected to fill). In developing countries there are additional elements. First, there are instances where jobs are still considered to be 'for life', and hence a tendency for the young either to take longer to choose or to wait for such jobs to become available; future career prospects might be jeopardised by starting in a low-status job. Secondly, the amount of productive work available in the rural areas may be such that youth (particularly males) tend to prolong their search for wage employment rather than remaining in, or returning to, the family farm.

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[1] In New Zealand, for example, in the Labour and Employment Gazette, 1977; and in the United States, by G. B. Reubens, 'Foreign and American Experience with the Youth Transition', in 'From School to Work: Improving the Transition', National Committee for Manpower Policy, Washington DC.

3.48 The socio-economic aspects of the 'searching' process have to be considered in the context of both the overall experience of youth unemployment and underemployment and the mobility of youth. OECD studies suggest that in developed countries young people have an occupational mobility rate considerably higher (often double) than that of the total labour force. This contains elements both of career mobility (the search for a job corresponding to education or aspiration) and of trial-and-error mobility (where their education and training, or lack of it, cannot be traded for a stable position in the labour market). Even in the developed countries there may, of course, be socio-economic factors which inhibit geographical mobility—poverty is one obvious example—while in the developing countries occupational mobility is sometimes constrained by lack of information and of the appropriate kinds of education and training, and by an absence of the right 'contacts.'

3.49 To sum-up, although the causes of youth unemloyment are many and varied, and come in a multitude of combinations, it is difficult to avoid the conclusion that whereas in the developed countries the phenomenon may be largely of a cyclical nature, where 'generational crowding' has coincided with a weak labour market, in the developing countries it is of an essentially long-term and structural nature, reflecting insufficient opportunities for gainful employment. But in both groups of countries the various types of mismatch between the supply of and demand for labour, which underlie the deteriorating employment situation, have been aggravated by policy failures, often very serious. We address this issue in the next chapter.

Chapter 4

Policies and Measures to Reduce Youth Unemployment

4.1 In seeking to remedy the causes of youth unemployment attention must be given to both the demand for and the supply of labour and the interaction between them. We shall be reviewing solutions to youth unemployment therefore by ways of policies and measures which increase the volume of productive work opportunities for youth; prepare young people for the world of work, and adjust mismatches between the amount and type of work available and the number and skills of those seeking it; and moderate the rate of growth in the number of those seeking work and in other ways lessen the pressures on the labour market. We make various suggestions and recommendations on how existing policies and measures by governments and actions by others might be improved; we also make some comments on the sort of organisational structures which might be required to carry them out. We devote a separate section to what more the Commonwealth Secretariat might undertake in this area.

4.2 Much of our analysis and many of our recommendations inevitably relate to unemployment in general, since youth unemployment cannot be understood or dealt with outside the overall context. But we do believe, for reasons set out in the previous chapter, that youth unemployment merits special attention; and if action to reduce it is to be effective, it needs to be set in a broad policy framework and underpinned by a moral commitment. We have considered the desirability and practicability of government and non-government organisations adopting a form of commitment to young people, which we call a *Youth Entitlement*. The concept is elaborated later but it essentially entails a recognition of the need of young people for role and status in society, and a commitment to ensuring that all of them are adequately prepared for adult working life.

4.3 We should emphasise that, though we concentrate on actions by governments, our review has been carried out in the context of an acceptance of the need for employers' and workers' organisations to play their part. Indeed, most jobs actually created will depend upon the workings of labour markets rather than on governments directly. The tripartite responsibilities of governments, employers' and workers' organisations go further than the creation of employment, crucial though that is. They extend also to ensuring that adequate pay and working conditions are maintained; and in this respect the ILO Conventions pertaining to young people and especially the age of workers represent a set of standards which have been widely recognised in developed and developing countries. There are shared responsibilities too in the field of training, to prepare young people for the world of work.

4.4 We have also been conscious of the implications for policy which result from the differences in economic and social structures and conditions between countries; not only between developed and developing countries, but also among developing countries themselves. Nevertheless there are also many common features, especially within each group of countries.

4.5 We are primarily concerned here with measures at the national level. However, for most countries, the international economic environment has a major influence on the domestic economy and the employment situation. With a few exceptions, developing countries face considerable constraints on their freedom of manoeuvre as a result of external dependence. Many, especially in Africa and Latin America, have been seriously affected by some very adverse trends: weak commodity prices; heavy payments for servicing external debt; and declining net capital flows. These all require action at a multilateral level.

4.6 For many small, and medium-sized, open economies in particular, a healthy expansionary international economic environment is crucial. Some Commonwealth countries—Mauritius, Barbados, Malaysia and Singapore for example—have been able to achieve high rates of export and overall economic growth, and expansion of employment, through labour-intensive manufactured exports (though in some cases, critics have argued that the disciplines and work conditions associated with such employment are unacceptable). For these countries, freedom from protectionist barriers in developed country markets is vital to development in general and in particular to potential job opportunities for young people.

I. INCREASING WORK OPPORTUNITIES FOR YOUTH

4.7 In examining policies and measures which governments and others can adopt to increase the volume of work opportunities available for young people we think two distinctions may be useful. The first is between general economic policies which affect the demand for labour, but only indirectly, and schemes which are designed to create new jobs directly. The second is between general job creating measures in which youth should benefit along with other age groups, and those targeted specifically at youth. We have provided more detail, by way of example, on those policies and measures which relate directly to youth employment, especially in developing countries, but in doing so we fully recognise that it is the general economic growth and development of the country, in which economy-wide policies are of prime importance, which is the most significant overall determinant of youth employment and unemployment.

1. Economy-wide Policies

4.8 Economic management is complex and controversial and involves different sets of policies in different contexts. We shall not endeavour to get into these wider issues other than to note that, in general, the faster an economy can be made to grow, on a sustainable long-term basis, the better the prospect for jobs. Economic expansion is especially critical for youth since, as newcomers to the labour market, they depend on new opportunities opening up. As we explained in Chapter 3, the rates of growth required to create these new opportunities are far greater than those currently being achieved, especially in many developing countries. It is a pre-condition for resolving the specific problem of youth unemployment that—in both developed and developing countries—substantially more rapid economic growth is achieved than in recent years.

(a) *Non-inflationary job creation in developed countries*

4.9 In developed countries, the main reason advanced by governments for restraining growth in demand, and thus, indirectly, demand for labour, has been the fear that not to do so would be to risk unacceptable inflation. Experience and analysis have shown however that there are various ways in which demand for labour, including youth, can be increased without worsening the trade-off between output growth and price increases. Some of the most important measures relate to the *mismatch* between the demands of the labour market and what workers—in this case, young workers—can offer in terms of education and training. This crucially important subject merits extended treatment and we shall return to it below.

4.10 Another approach is to concentrate on relieving *long-term unemployment.* The long-term unemployed have usually withdrawn from active job search and are no longer competing in the labour market. Consequently, to find them jobs, through general incentives or special schemes, should not contribute to any tightening of the labour market and, so, to inflation. While long-term unemployment is more of a problem for mature people than for youth (see Chapter 2), nonetheless it is serious for some young people, because of limitations on their mobility, especially among *disadvantaged groups,* particularly racial minorities, in inner cities and in areas where there is high *regional unemployment.* Active policies designed to combat regionally concentrated unemployment, inner city disadvantage and long-term unemployment in general are likely to be of considerable, albeit indirect, value for youth.

4.11 A further approach is to create *incentives* so as to reduce the cost of employing labour, and youth in particular, such that for a given level of demand more are employed. In many countries, one major cost is indirect taxes on labour in the form of payroll taxes, or national insurance contributions by employers. Especially when combined with tax incentives or subsidies for capital investment, there can be a considerable cost advantage in replacing people by machines. Were greater weight to be given to employment considerations the fiscal treatment could be reversed, either across-the-board or selectively to favour employment in some regions.

4.12 It is sometimes argued that reducing the wage costs of employing labour, especially young workers, would provide employers with a major incentive for the creation of new jobs. The evidence, however—especially from detailed surveys of employers' perceptions of factors influencing employment levels—presents a very varied picture and evidence on the influence of wages in particular is inconclusive. By the same token, attempts to create employment through youth employment wage subsidies have had mixed results. Raising the productivity of youth through prior training or work experience is undoubtedly much more important.

4.13 To conclude this brief discussion of developed country policy, *we would urge that governments make maximum use of the variety of instruments that are available to them to reduce unemployment in a non-inflationary manner: by reducing mismatches, mainly of skill, between the supply of and demand for labour; by means of special programmes directed to alleviating long-term unemployment and by reducing taxes on employment. We further recommend that there should be a selective focus in initiatives of these kinds on the needs of young people, which can be given by a 'Youth Entitlement', a concept elaborated below.*

(b) Employment policies in labour surplus economies

4.14 Although some of the above approaches to policy can apply in developing countries, the position in most of them is usually substantially different. Unemployment and underemployment are usually endemic. Not only is there much greater underutilisation of labour in these countries, but it has long been acknowledged also that more rapid economic growth does not, of itself, dispose of unemployment problems when there is a rapidly growing population, together with a large reservoir of underemployed rural labour, and serious bottlenecks caused by shortages of specific labour skills.

4.15 Two overlapping aspects of employment policy can be distinguished (other than questions of education and training, which are considered later). The first relates to what can broadly be described as failures of current policy, and especially those which have contributed to undue 'urban bias' in development. The second consists of long-term measures to develop those sectors of the economy which are the most labour-intensive or offer promise for additional labour-absorption. Both of these affect employment as a whole but have major implications for the special problem of youth unemployment.

Inappropriate economic policies

4.16 Many governments have become aware of the damaging economic effects of such economic distortions as controlled low prices for farm produce and overvalued exchange rates. In low income countries these policies have allowed large differentials of income to arise between urban and rural areas and have thereby contributed to rural-urban migration of labour, leading in turn to 'open' urban unemployment. In recent years decreases in urban real incomes have occurred in a number of African countries, leading in Nigeria, for instance, to a degree of reverse migration. These decreases have been unplanned, however, and are not the outcome of a balanced policy for incomes designed, among other things, to create the maximum degree of employment opportunities.

4.17 Income differentials favouring urban dwellers have often been accentuated in their effects by the high status accorded to white collar jobs and the way some governments have aggravated the problem by multiplying civil service jobs. One example of the way in which a government has had some success in changing 'white collar' attitudes is in Malawi. Here, subsequent to a progressive relative improvement in skilled workers' wages compared wth those of clerical workers between 1967 and 1980 (and a shortage of clerical jobs), secondary school-leavers in the 1980s have exhibited a strong demand to undertake technical training.[1] A related feature in many developing countries is an occupational structure closely geared to the educational hierarchy of primary, junior and senior secondary and higher educational attainment. Completion of primary or junior secondary education may be seen as the necessary passport out of what are perceived to be undesirable occupations in, say, agricultural or informal sector activities. Adjustment of such structures may be a prerequisite for achievement of an efficient allocation of labour and diminution of unemployment. *We recommend that programmes of structural adjustment, particularly those carried out under IMF and World Bank auspices, should specifically address the issue of how the imbalance between urban and rural areas can be reduced to discourage undesirable migration, promote employment and reduce poverty in the country as a whole.*

4.18 In many developing countries wage employment has expanded rather slowly as industry has been established, often due to the adoption of capital-intensive technologies. This capital-intensive bias has been encouraged by various economic distortions: dualism in financial markets, with large firms having access to credit at low interest rates; the distortions in wage and occupational structures described above; generous depreciation allowances and other fiscal incentives favouring capital rather than labour; tariff structures and overvalued exchange rates which encourage capital goods imports. Apart from revising this pattern of incentives, there is need actively to promote the use of appropriate technologies. A large literature exists detailing the widespread use of such technologies and how they may be evaluated, selected, acquired, and adapted to local circumstances for efficient utilisation.[2]

4.19 In this respect, it is becoming increasingly recognised, for example, that technology adapted to local circumstances can provide more employment not only in producing the item embodying the technology but also in servicing or operating it. Thus in developing countries appropriate technology bodies have developed low-cost agricultural and other equipment. Water pumps developed in various countries in conjunction with Canada's International Development Research Centre and serviceable by villagers using locally available materials provide another example. The alley-cropping/mulching technique of cultivation, in which crops such as maize are interspersed with nitrogen-fixing shrubs, is another. Developed *inter alia* at the International Institute of Tropical Agriculture in Ibadan, Nigeria, such techniques are more beneficial than the imported chemicals and herbicides they replace. For as well as maintaining the productivity of the soil and creating self-reliant rural employment, they provide fodder and firewood and prevent soil erosion. Agronomy and other elements of the 'Green Revolution' are lengthening growing seasons and making possible diversification into more labour-intensive farming methods, both of which can create more rural employment. Thus in Kenya, which has one of the highest rates of population growth in the world, agricultural intensification based on the development of hybrid maize and on the cultivation of coffee and tea in smallholder plots has absorbed increasing amounts of labour and has provided the nucleus of a prosperous rural economy which includes non-agricultural activities.

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[1] While in 1967 a Grade II skilled worker in Malawi was earning only three-quarters of the salary of a clerical officer, by 1980 he was earning a quarter more. An interesting case is of a rural trades school which was in 1983 receiving 2000 applications for just 50-odd places for training in the mechanical and electrical trades, nearly all of them from school certificate holders.

[2] See, for example, 'Technological Change—Enhancing the Benefits', Commonwealth Secretariat, op.cit., Vol I, Chapter 2 and Vol II, Appendix 10.

4.20 In giving this detailed attention to labour-intensive technologies we would stress that their promotion need not be at the expense of productivity growth on which increases in living standards depend; nor need it neglect the opportunities for blending traditional labour-intensive technologies with state-of-the-art technologies in ways that create more employment. The Commonwealth Report on Technological Change[1] provides valuable guidance on these issues. *We would urge that governments remove disincentives to the deployment of labour-intensive technologies and that the international community assist in the development of cost-effective labour-intensive technologies. We particularly recommend that industrial countries should remove protectionist market access barriers on manufactured goods from developing countries since these act to inhibit employment generation by labour-intensive technologies.*

4.21 A policy promoting the development of more labour-intensive technologies in developing countries would complement one based on the promotion of small-scale enterprises. Many (though not all) of the areas where distinctive labour-intensive technologies are available and economically viable are particularly suited to cottage and other small-scale industries. The low capital requirements and simple technology of such small enterprises make them suitable, *prima facie,* for absorbing out-of-work youth at comparatively little direct cost. But they also have special financial, technical, infrastructural and institutional needs which require support. These needs have been widely recognised, and there is a broad consensus among policy makers that such enterprises can be promoted by: preferential fiscal and monetary policy (the sort of revolving credit funds operated under ministries of industry or commerce, as in India, might be one useful model, while the Grameen

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[1] Ibid.

Bank in Bangladesh might be another—see Box 1); the provision of trading services on preferential terms; access to R&D, business advice and technical assistance services on special terms; and access to improved or subsidised infrastructure (electricity, water and other facilities of industrial estates). We recognise the crucial role of the entrepreneur in development and make specific recommendations regarding self-employment later (paras 4.45–4.48).

Labour absorption in agriculture

4.22 In almost all developing countries it is activities undertaken in the rural areas which provide the bulk of employment, and for numerical reasons alone it is imperative to try to retain the youth segment of the labour force in that sector also. The potential for rural employment has been much written about, notably by ILO, both in respect of agricultural and non-agricultural labour. The absorption of labour in agriculture involves, first and foremost, agricultural intensification. This has been based on developments in agronomy and other elements of the so-called 'Green Revolution' which help to maintain rural household viability in the face of diminishing farm plot sizes. Some countries have also reformed their systems of land-holding. These developments have been critical in containing the effects of population increase in the low income labour surplus economies of south east Asia, and increasingly in south Asia and parts of Africa. In the case of Kenya, where the government has been greatly concerned with an emerging problem of urban unemployment and where a number of programmes for youth employment promotion have been established, the success of this process of agricultural intensification is considered to have been the main way in which youth unemployment has been kept in check since the ILO Mission of 1972 expressed serious concern over the problem[1] (see Box 2 on page 82).

4.23 This process has quite specific implications for the implementation of a labour-absorption strategy in agriculture. One is that the emphasis should generally be on smallholder production rather than on large-scale, capital-intensive agricultural schemes. Even agricultural projects designed to accommodate youth have often been biased towards the latter. Agricultural extension and agricultural development policy generally may need to be directed more broadly to a mix of cash and foodcrops, livestock and even fishing activities which can contribute to household viability and subsistence, rather than focused on export crops. This is especially true in the case of poor households with little or no land and with very limited recourse to assistance, including credit, for involvement in non-farm activities. The positive experience of the

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[1] ILO/JASPA, *Youth Employment and Youth Employment Programmes in Africa, A Comparative Sub-Regional Study, the Case of Kenya*, Addis Ababa, 1986.

Box 1: The Grameen Bank: Credit for the Rural Poor in Bangladesh

The Grameen Bank had its origin in the Department of Rural Economics, Chittagong University, which in 1976 arranged a system of credit for the rural poor in an adjacent village. The scheme spread and the Grameen Bank was established by Government Ordinance in 1983. The Bank is noteworthy for its success in reaching poor families—only those with total assets valued at less than one acre of land and only one person per household may participate. Loan applicants must form groups of five, and attend one to two weeks of intensive training in the philosophy, rules and procedures of the Bank. Each group elects a chairperson and secretary and must meet weekly to review progress of the projects being undertaken; non-attendance brings censure from other group members or even fines. If there are several groups in a village they form a centre and hold their weekly meetings jointly. Loans are made without collateral and are repayable over one year by weekly instalments; contributions to an intra-group savings scheme and to the Grameen Bank 'Emergency' (insurance) Fund are also required. The local branch of the Bank borrows from the head office as required, paying interest and fees to cover loan costs and central administrative expenses, and charging a higher rate to cover local operating expenses.

Loans are mainly for activities already familiar to the participants, but for which they lack capital to undertake. Livestock rearing, food processing (such as rice and pulse husking) and handicraft activities are especially popular among women, as is trade among men. Loans are also made for collective enterprises, such as digging tubewells, constructing rice and oil mills, and acquiring agricultural equipment. In addition, attention has been given to social welfare and housing; and vegetable seeds and saplings have been distributed at cost price. By June 1986 the Grameen Bank had 241 branches serving almost 200,000 borrowers (over half of whom are female) in 4,300 villages. Further expansion is envisaged.

Grameen Bank in Bangladesh offers promise here.[1] One advantage of the integrated rural development approach, despite the criticisms made of it, is that it focuses attention on *all* socio-economic groups within an area, including the landless, and the interactions between them, together with the resources available for their use. Given the pressure on resources in many developing countries, or in particular districts within these

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[1] See Box 1 above.

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Box 2: Youth Unemployment and Agricultural Intensification in Kenya

The 1972 ILO Mission to Kenya had been rather pessimistic regarding the prospects for limiting the development of serious urban unemployment, given high growth rates of population, a strictly limited supply of arable land with land pressure already apparent in many areas, and high rates of rural-urban migration. A review in 1980, however, suggested that this rural exodus had not materialised on anything like the scale envisaged, and this despite the fact that population growth had not decreased, but actually had increased to close to four per cent, one of the highest rates in the world. This was principally due to the operation of a so-called 'sponge effect', ie the capacity of the rural areas to absorb increases in population. In the Kenyan case the mechanisms involved have been the divisibility of agricultural land holdings; the maintenance of gross output per hectare through intensive cultivation and application of labour; the development of high-value cash crops such as tea and coffee; the expansion of vegetable growing and livestock activities; and increases in yield through, for instance, the introduction of hybrid maize. The expansion of non-farm activities (and remittances from urban areas) contributed more generally to rural household viability, particularly in the case of households short of land. A subsequent report considers that a satisfactory solution to the youth unemployment problem in Kenya will depend primarily on what success is obtained in increasing the effective use of all potential arable land in order to maintain its capacity to absorb increments to the labour force.

countries, this approach, which combines development, population absorption and resource conservation, remains both relevant and vital. It also indicates the need for a decentralised approach, with community participation.

4.24 An emphasis on rural development and raising agricultural productivity is relevant also to those low and middle income countries categorised in Chapter 3 which have been much less successful than those described above in shifting development priorities to the rural areas, and where the lack of agricultural progress and technological innovation has led to stagnating or even deteriorating agricultural output and incomes, reducing the willingness of youth to remain in the rural areas.

4.25 Rapid agricultural development is, paradoxically, probably the most effective way of stimulating both off-farm rural employment and also, but more indirectly, the urban informal sector. This is because demand for their activities will depend in substantial measure on the buoyancy of agriculture and the purchasing power of farmers. *We recommend that for the type of developing countries described above, governments give a strong emphasis within their development policies to the promotion of small-scale family farming, through price incentives, credit, improved extension services and infrastructure support, as the main route to youth—and other—employment generation. Land reform should be recognised as a valid and important mechanism in many contexts for ensuring that young landless people can achieve self-employment in small-scale farming.*

Labour absorption in the urban informal sector

4.26 We noted in Chapter 2 that much of the increase in the working population of developing countries was occurring in cities. And in the more industrialised developing countries, the urban population will soon become a majority. Within developing countries' urban areas the modern industrial and services sectors cannot provide employment for all the burgeoning population of working age, and a reorientation of policies is needed to assist the urban informal sector. The wide spectrum of activities in this sector—ranging from repair and maintenance, through construction, to trading and the provision of personal services—means that a more comprehensive approach is required.

4.27 A large literature now exists on the role of the urban informal sector in development and of its considerable potential for creating employment. This shows that the sector's relatively low capital requirements make it especially suitable for youth seeking more productive lives. Experience has also shown that if the sector is to perform its expected role efficiently, more needs to be done to strengthen its:

- legal framework. Following many cases of harrassment by local authorities, experience shows that informal sector operations need to be given a sense of legitimacy and security, with cheaper licence fees and simpler and more flexible legal provisions than those available to the formal sector;
- operating conditions. Access to finance is required on terms at least as favourable as in the formal sector, with credit available not only for craft industry but for the full range of informal sector enterprises, including wholesale/retail trade and services. Capital can also be injected into informal sector enterprises by the provision of appropriately simple infrastructure such as workshops or sales kiosks; and
- institutional framework. Cooperatives or other institutions can be encouraged to provide informal sector enterprises with packages

of essential services needed for everyday operations. Urban planning machinery can be recast to acknowledge that the informal sector dominates urban employment.

4.28 Training requirements for the informal sector are discussed more fully below (in the context of training in general) but it is worth noting here that for training to be useful, the skill demands of the sector need to be established more precisely. It may be that for artisans short courses in specific techniques could be of greater benefit than extended formal training. Modular training packages and appropriate national systems of trade testing would complement this approach.[1] Another area of uncertainty is whether training is carried out better in formal classroom situations or through 'on-the-job' attachments, to practising master craftsmen, for example. The latter is the means by which such skills have spread through the urban and rural sectors of many developing countries. The extent and nature of informal sector apprenticeship varies considerably between countries, being much stronger in West Africa, for instance, than in other parts of Africa. Box 3 gives a synopsis of a recent development in Nigeria.

4.29 *We recommend that the informal sector be regarded as a priority area, given the crucial role which it will have as a residual source of employment for growing numbers of unemployed youth in developing countries; and that governments should assist it to overcome disabilities in such areas as credit and training.*

2. Specific Employment Programmes

4.30 Beyond general policy remedies, governments and other agencies have often looked to specific employment programmes, some targeted to youth. These have been designed in part to cope with specific problems within the general one of youth unemployment (for example concerning disadvantaged youth or localised regional pockets of severe unemployment). But some have a wider aim—to demonstrate that something is being done. Here, we shall be mainly concerned with larger schemes run by central government. However, this is not denying the value of some small-scale, decentralised schemes, run by voluntary or private organisations.[2]

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[1] See para 4.76 and Box 10 (page 105).

[2] Some are summarised in Job Creation in the UK: OECD/Economist Publications, Special Report No. 1075.

Box 3: Training for the Informal Sector in Nigeria

An interesting example of the possibility of combining formal and informal approaches to technical training forms part of the recently established Oyo State Integrated Self-Employment Scheme (OSISES) in Nigeria. A technical/vocational programme for secondary-school leavers is made up of 80 per cent practical training received through apprenticeship to local artisans and of 20 per cent theoretical instruction obtained through attachment to State polytechnics and technical schools. During the training the State Government pays artisans in respect of the apprentices supervised, with trainees receiving allowances.

(a) *Temporary job programmes*

4.31 Typically, temporary employment programmes have consisted of labour-intensive public works, notably for construction, and social service activities. They aim to provide a means of generating employment at comparatively low capital costs per head while improving national infrastructure and services.

4.32 Among developed countries, Britain's Community Programme operated by the Manpower Services Commission represents one of the most substantial recent versions of the genre (see Box 4 on page 86). Despite some restrictions and the limited training content of many of the jobs available to young people under the Programme, there has been considerable interest in developed countries in extending this kind of initiative. One reason is that the net budgetary cost of providing an extra job under the Programme is much lower than some alternatives: one-twentieth of that through income tax cuts (£2,000 per annum compared with £40,000).[1] Another is that, as with specifically youth centred schemes such as the Youth Training Scheme (see para 4.79), this does not have an inflationary impact on the labour market since the workers concerned are, by and large, not in direct competition for jobs with other members of the labour force.[2] We see merit in moving towards a situation where all developed countries can provide a guarantee of, say, twelve months' work for all the long-term unemployed. At present only Sweden has committed sufficient resources to such special employment measures that it can offer what is, in effect, a job guarantee. But that is also in a context where there are financial sanctions against those long-term unemployed not utilising the programme and where almost all young people are catered for under educational and training programmes to the age of 20. This shows that such schemes cannot simply be replicated in isolation from the underlying national approach to unemployment.

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[1] Richard Layard, *op. cit.*

[2] M. Spilsbury, D. Ashton, and M. Maguire, Labour Market Studies, University of Loughborough.

4.33 Among developing countries one of the more interesting of the many examples of temporary employment schemes has been operating in Maharashtra State, India. This provides work for young people and others (see Box 5 on page 88) and it was extended on a national basis in 1983–84.

4.34 Few public works schemes in developing countries incorporate training, though some have tried. In Mauritius, for example, the Development Works Corporation was intended to act both as a competitive construction company and as an employer of last resort, while at the same time serving as a production-cum-training unit, with trainees (often young) intended to depart into private sector occupations at the end of their training. In fact, for a variety of reasons, it proved difficult for the Corporation to fulfil these different roles, and particularly to move its trainees on.

4.35 The above schemes have been open to people in different age-groups. Other schemes have been established for which only youth are eligible. One example is that of the Agricultural Development Corps organised in Sri Lanka during the late 1960s to carry out construction, irrigation and land clearing. At one stage over 1,500 people in their twenties were based in 27 camps, but due to heavy overhead and maintenance costs, substantial losses were made and operations were terminated in 1970. A Canadian 'Young Canada Works' programme, to provide short-term jobs on projects to improve community facilities such as parks, was also terminated. Although there are exceptions, as when special factors exist to facilitate youth mobilisation, it may in general be more effective for governments to concentrate on conventional temporary employment programmes, into which youth, like others, can be absorbed, rather than to set up schemes catering only for young people.

Box 4: Some Training and Employment Creation Schemes in Britain

Britain's Manpower Services Commission operates several programmes to promote training and employment. Some include youth among other sections of the community, others are directed solely at young people.

The *Community Programme*, for example, provides full- or part-time places for up to one year for 250,000 long-term unemployed on work of practical benefit to the community which will improve the participants' employment prospects. Projects are approved by one of the MSC's Area Manpower Boards and should have the support of the appropriate trade union and local employers' organisation. Participants are paid the rate for the job (up to a specified maximum) and undertake work which would not otherwise be done. To qualify for a place, applicants must have been unemployed for the previous two months and be in direct or indirect receipt of welfare benefit. In addition, those aged between 18 and 24 must have been out of work for at least six months (four for disabled people) of the previous nine, and those aged over 24 must have been out of work for at least twelve months of the previous fifteen.

The *Technical and Vocational Education Initiative* (TVEI) has been operated by the MSC as a school-based programme since 1983. Aimed at 14–18 year-olds, it seeks to involve the whole range of abilities. Local Education Authorities are invited to devise innovative projects and to bid for funds from the MSC. The latter covers any additional expenses involved in making the curriculum more vocational (for example through the introduction of information technology, to which special attention is being given). By the autumn of 1986 TVEI schemes were reaching selected pupils in some 600 schools and colleges and the Government intends to extend the coverage to all maintained schools and colleges during the coming decade.

The *Youth Training Scheme* (YTS) superseded the earlier (1978) Youth Opportunities Programme in 1983. Open to anyone aged 16 or 17, it initially guaranteed a mixture of training and employment for one year, but since 1986 this has been extended to two years. The earlier scheme guaranteed all YTS participants a minimum of 13 weeks off-the-job training, either on employers' premises, at special training centres or at colleges of further education. It was operated under three alternative modes: the first mostly by employers; the second by voluntary organisations, local authorities and some private sponsors; and the third by colleges of further education and employers. The first provided for both employers' new recruits and the unemployed, while the second and third were restricted to the unemployed. The current two-year scheme is, however, now integrating the three modes. All YTS projects have to be approved by one of the MSC's Area Manpower Boards. By 1985/86 some 360,000 out-of-school youth had enrolled in the YTS, encouraged by a higher allowance than the welfare payment for unemployed youth living at home.

Box 5: Employment Guarantees for the Rural Poor in India

The rural poor of developing countries often have particular difficulty in obtaining productive work and look to government for help. A pioneering response has been the Employment Guarantee Scheme in Maharashtra State which was introduced in 1978 and incorporated a large-scale rural works scheme developed from a relief programme operated during the 1970–73 drought. The Scheme provides employment in undertaking projects designed to create durable assets such as minor irrigation works, drainage and water distribution channels, land conservation and development works, and road works, especially in hilly and inaccessible areas. It is administered by the District Collectors and executed under the direction of officers from technical departments who develop a portfolio of projects which can be initiated at short notice. The Scheme meets the residual demand for employment after the needs of agricultural and national development plan activities have been met. In 1983/84 it employed more than half a million persons who worked on over 7,000 projects. About two-fifths of those employed were extremely poor (including backward classes and castes, and scheduled and nomadic tribes) and around the same proportion were women. Wages are payable on the basis of the quality and quantity of the output.

The Scheme has been financed since 1975–76 by special taxes on professional and other employment, sales, vehicles, irrigated and urban non-residential lands, which are matched by an equal credit from the State Government.

4.36 The kinds of scheme described above need to be distinguished from absorption into public sector employment generally, particularly into the public service. The latter policy has been adopted by many developing countries, especially to absorb the output of secondary school-leavers looking for clerical and other white collar jobs. Somalia's Guaranteed Employment Policy, pursued from 1971/72 to 1983, represents a rather extreme example, in that it was guaranteed to absorb into the public sector *all* those secondary school-leavers not absorbed elsewhere, though the public sector in this case incorporated most of the modern sector of the economy. The programme, which had to be abandoned for financial reasons, serves to illustrate the budgetary limits which developing countries face in creating positions in this way. Nevertheless, more subtle forms of the process are of longer standing in countries such as India and many in Latin America, and sometimes constitute a form of disguised unemployment rather than a genuine solution to unemployment.

4.37 We acknowledge that experience of these temporary employment schemes is very varied. Nonetheless they can have a role to play, with other measures, in a comprehensive strategy to combat unemployment. Among developing country schemes the Maharashtra Employment Guarantee Scheme stands out as being worthy of close study and possible emulation by other countries. These schemes are not however usually directed specifically to the needs of youth and their value for youth will depend heavily on the training content. We suggest later, in the context of a Youth Entitlement, how temporary employment schemes might dovetail with training and education programmes to provide an approach which is of particular use to unemployed youth.

(b) *Agricultural resettlement*

4.38 We have earlier stressed the crucial role of agriculture in absorbing the excess of labour experienced in most developing countries. While the policy remedies lie overwhelmingly in general measures oriented towards agriculture, some governments have reacted to the problem by means of special initiatives for youth, very often in the form of 'back to the land' schemes for urban youth. Examples abound, particularly in countries in Africa where plentiful land—often, though, in areas which are remote or lacking in infrastructure—appears to offer an opportunity for resettlement: Zambia's rural reconstruction centres, Ivory Coast's corps of development volunteers and Somalia's agricultural crash programme for settling youth on cooperatively-run state farms, were all initiated during the 1970s. In Asia, the Indonesian transmigration programme has similar objectives. In almost all instances training is given but the duration of schemes has varied considerably: six to nine months in two Ivory Coast schemes and nine months in Malawi, but two years in the agricultural component of Nigeria's Oyo State Integrated Self-Employment Scheme. Nearly all the schemes have been government-financed but a few, such as the 1985 School-to-Land Programme in the Rivers State of Nigeria, have or are intended to have a large element of private financing from companies and voluntary organisations.

4.39 In fact, many of the schemes have had a disappointing record. In Africa, especially, some have been abandoned after a few years, most have incurred high costs per young person settled (generally associated with unrealistic levels of mechanisation), and none has been able to settle on the land more than a minute proportion of the unemployed or under-employed school-leavers, thus making no significant quantitative impact on the employment problem. In most cases more effective and less costly absorption of youth could have been achieved by expanding or intensifying production on existing family farms or by assisting young people to secure small parcels of adjacent land and thus to establish themselves along traditional lines. The story, however, is by no means wholly negative; resettlement schemes have worked well in some countries, including Guyana and Indonesia.

4.40 If governments plan new agricultural resettlement schemes, especially for young people, some lessons could be learned:

- planning and operational difficulties should never be underestimated. The costs of administering agricultural resettlement schemes have often been high, while some schemes have been located in remote areas with deficient access to water or other services;
- technologies used should be appropriate to local circumstances. Tractors, in particular, have proved costly, prone to breakdown and difficult to maintain and repair;
- expectations of levels of expertise should be realistic. It is not reasonable, for example, to expect urban youth to possess a knowledge of viable agricultural practices comparable to that of local adult farmers; and
- full account should be taken of local practices. Many schemes have tended to ignore the economics of family labour which is the very basis of smallholder farming in developing countries. Consequently there has been a high rate of turnover, though in some schemes, such as that in Malawi, this has been largely overcome through raising the age of entry and mixing young settlers with those who are more mature.

To conclude, agricultural resettlement has not generally been cost-effective as a way of dealing with unemployment, though well designed and managed schemes can work, especially where there is a large amount of unused productive land as well as surplus labour.

(c) *National and community service*

4.41 Various types of scheme exist in developing and developed countries whereby youth can be productively absorbed into serving national and community interests, directly or indirectly. National youth service schemes were one of the earliest responses to problems of youth unemployment, temporarily at least absorbing a proportion of the unemployed and intended to have more durable effects through training and changing values. Formats have varied but many schemes have aimed to give the young some basic skills, usually in artisan or agricultural activities but sometimes, as in Kenya, in both. Often operating within a quasi-military context, they have also aimed to inculcate discipline and a sense of patriotism, and generate a positive attitude towards work. In some countries, such as India, Kenya, Nigeria and Singapore, national service schemes have been designed to create a sense of national identity.

Box 6: Youth Community Schemes in Botswana

Botswana's community youth service, Tirelo Setshaba, was launched in 1980, with its first full intake in 1981. This takes male and female school-leavers at the upper end of the educational pyramid for a one-year programme of service in rural areas, particularly those which are more remote. The participant devotes half of his or her time to (mostly) primary school teaching, usually as a teachers' aide, and the rest to other activities of his or her choice: most often in health or agricultural/livestock extension but possibly also in other community or social work, literacy teaching, tribal administration (clerical assistance to the Kgotla or village government), promotion of rural industry, assistance on drought relief programmes, or the keeping of meteorological or other records. Participants receive a living allowance rather than a wage and where possible stay with an ordinary village family in the locality. The underlying idea is one of study and service in which participants learn through exposure to real life in the Botswana countryside.

The Botswana programme is especially relevant to countries at a certain level of development, where massive problems of education and health extension need to be tackled. It indicates the possibility of active involvement of youth in these areas in relatively cost-effective ways, if always subject to budgetary constraints. But its success lies in tapping the skills of those among youth who are in fact least likely to be unemployed.

In others, especially when facing an external threat, military preparedness has been part of the rationale (as in Zambia's National Youth Service at the time of Rhodesian UDI). In yet others the aim has been to encourage social leadership and thereby promote community spirit (as in Botswana's Tirelo Setshaba—see Box 6).

4.42 Achieving these aims does, however, have a cost, and the benefit may accrue to the privileged few. Those schemes, aimed at altering attitudes among university or other well-qualified students who are seen as leading citizens of the future, are dealing with a group who already have excellent prospects of employment. This is particularly the case since national service schemes commonly reach only a tiny proportion (one or two per cent at most) of the target age-group. A more general weakness of the national service concept as such, at least in its usual form of a one-year service, is that it is inherently unable to deal with the 'age employability gap', the spread of several years within the age range 15–24 during which a substantial segment of youth is commonly unemployed. Whether national services have more than a temporary impact, therefore, depends on the value of the training received, and the cost-effectiveness of this particular vehicle for training—as compared, for example, with ordinary trades schools—becomes critical. Overall, the effectiveness of existing schemes appears to vary considerably—the Malawi Young Pioneers appears to be one of the more effective (see Box 7).

4.43 There is a general recognition that the top-down concept of a military-style national service needs substantial review in most countries, in terms of its cost-effectiveness and the proportion of a youth population which it can expect to cover. Community service organised on a more decentralised and participatory basis might be grafted on to youth groups in appropriate cases. Some form of national organisation or network of youth groups might be considered as a means of raising morale, without absorbing many resources. Apart from this, national service should probably be directed more towards agricultural training, which would absorb large numbers, than towards artisan skills, which can be taught in specialised trade schools. There is scope also for activities in fields such as education and health-care, where the more educated participants can apply their knowledge in the service of the community while simultaneously gaining maturity and broader insights.

4.44 After reviewing the varied experiences of national service schemes we conclude that, while there are some worthwhile schemes, many have been too general to overcome mismatches between the demands of the labour market and the skills with which participants are trained. The schemes are most effective when linking the capabilities of educated youth to specific development needs, rather than dealing with youth unemployment as such.

Box 7: The Malawi Young Pioneers

The Malawi Young Pioneers appears to be more cost-effective than most national service schemes. The MYP is now a long-standing institution, having been established by Act of Parliament in 1965. The programme is centred upon a 10 month leadership/agricultural training course aimed at self-employment in agriculture. It also offers priority access to technical trades training or to one of two associated trades schools or to agricultural settlement schemes. The majority, who return to the villages, are expected to 'spearhead' or pioneer agricultural changes in the villages, though exactly how they are to do this is not closely specified.

Special access to trades training for Pioneers who have already benefited from agricultural training may not be justified, and the numbers proceeding to settlement schemes are quite small. Nevertheless the programme appears to have a number of positive aspects. The excess demand for places among school-leavers is an indication of—at least perceived—benefits. It is agriculture-oriented, directed towards the sector where possibilities for labour absorption are greatest. It has avoided training and settlement based on inappropriate technology centred upon tractorisation, focussing on more simple and economic improvements in agricultural practice capable of implementation at the village level.

The programme is the only one available in Malawi to cater for the broad target group of primary-standard school-leavers and out-of-school youth and for which recruitment is not simply based on academic qualifications. It is also open to both sexes.

One aspect of MYP training-based operations which would contribute favourably to any cost-benefit calculation are reduced variable costs associated with the high degree of food self-sufficiency achieved at the camps, though this factor may be more than offset by a high overall staff-student ratio. The effectiveness is uncertain due to the lack of systematic follow-up and assessment of Pioneers' impact and subsequent agricultural performance on return to their villages. The evidence that some trainees in the south, after obtaining agricultural skills and motivation through the programme, have not been able to find land on which to practise them, due to acute land scarcity, serves to underline the importance of structural factors affecting youth employment in many countries.

(d) *Self-employment*

4.45 Many governments are reluctant to embark on specific youth schemes because of the administrative burden and the public expenditure involved. One way of ensuring that the private sector is developed while also generating employment is to extend the practice of governments in some developed countries of subsidising persons establishing their own businesses. In the United Kingdom, for example, the Enterprise Allowance Scheme has since 1983 paid unemployed persons aged 18 years or more £40 per week for 52 weeks while they start their own businesses. Since its establishment the scheme has subsidised the self-employment of some 175,000 persons. A significant proportion of these have been young people, though the requirement that applicants must have—or be able to raise by loan (on which advice is available)—at least £1,000 capable of investment in the business restricts the scheme's practical application among the more disadvantaged. In New Zealand a broadly similar initiative—the Small Cooperative Enterprises Scheme

(SCOPE)—operated by Department of Internal Affairs Youth Branch Advisory Officers, offers grants or loans to help groups pay for equipment, vehicles and other development costs associated with their projects. It also assists with planning, access to financial and legal services, marketing, etc. Experience shows, however, that there are many pitfalls in such schemes. Many young entrepreneurs will fail unless they receive a good deal of continuing informed advice. Others will fail to establish viable enterprises and will become, in effect, subsidised labour-only sub-contractors for larger employers. Where business is highly competitive, an inexperienced youth with few resources is at a major disadvantage.

4.46 Some developing countries also operate schemes to assist self-employment. Papua New Guinea, for example, has a scheme to promote self-employment in one part of the formal sector (see Box 8). Most opportunities for young entrepreneurs, however, are likely to arise in the informal sector and we have already mentioned some of the training issues involved. The high average age of established craft entrepreneurs in many countries is indicative of obstacles, whether of lack of technical skills, commercial experience or accumulated savings, which face young craft-graduates attempting to enter self-employment. The provision of credit and extension advice to artisans leaving wage employment may be the most effective way of successfully establishing independent artisans, who can then be replaced in wage employment by new recruits. But some of the reservations about developed country schemes apply here *a fortiori*.

4.47 Given the obstacles mentioned, an alternative route to creating job opportunities for young craft-graduates is to provide direct assistance to permit the growth of established craft enterprises. A large proportion of informal sector artisans in poor countries work—often in the open, without protection from sun or rain—with little or no capital. The provision of simple shelters for artisans throughout rural areas and in the small townships can help upgrade rural enterprises. They can also serve as useful nuclei for the dispersion of extension advice, materials or credit; and for the attachment of apprentices. More effort is needed to integrate small-scale industry promotion programmes and the training and establishment of craft-graduates.

4.48 Another approach to inducting young people into entrepreneurial activities is through the formation and guidance of youth cooperatives. In Tanzania, for example, Youth Economic Groups have been set up to undertake agricultural or craft activities in rural areas, and construction, metalwork etc in urban areas. Each group contains about 50 young people and selects its own leader, operating as a cooperative under the guidance of the local village management committee. Participants are provided with the necessary production inputs such as land or tools.[1] Similar schemes exist elsewhere; in Ghana, Mauritius and Fiji, for example, the government supports projects run by youth groups. *We recommend that, particularly in view of the need and scope for self-employment in developing countries, every possible help should be given to young people seeking to set themselves up in individual and group enterprises, both in urban and rural areas, through credit availability and extension services.*

Box 8: Promoting Self-employment in Papua New Guinea

The Papua New Guinea Development Bank has established a scheme known as 'Stret Pasin Stoa' ('Straight Fashion Stores') under which suitably qualified Papua New Guineans are trained in retail store management. After completion of training the Bank purchases a retail store in an urban location (usually from foreign owners wishing to leave the country) and installs the newly trained person as proprietor. That person then takes a loan from the Bank, subject to a mortgage on the property. Loan repayments are made from the cash flow generated, while at the same time the new proprietor receives a salary and ongoing assistance in management and accounting. This scheme has led to Papua New Guineans acquiring over 120 retail stores. Its success has depended on the provision of training, finance, and continuous supervision within a single integrated package.

(e) *Young women and specially disadvantaged groups*

4.49 Young women are often relatively disadvantaged in terms of employment opportunities, especially in developing countries. They tend to have particular problems in gaining access to land, credit and agricultural technologies; in getting support for their businesses; in acquiring more diversified vocational training; and in breaking down occupational stereotypes. The gender dimension needs therefore to be taken into account throughout consideration of youth unemployment.[2]

4.50 More specifically, one feature of training programmes for young women in many countries, and a major deficiency, is the heavy emphasis on home economics. For example, in the Sudan over the period 1978–1983, although more than 22 000 out of 31 000 places planned for youth in training centres were for young women, their courses were restricted to home economics, sewing, handicrafts, cloth-printing, knitting, leatherwork and 'general training'. Because these types of course do not in general lead into employment, young women pursuing them are frequently unemployed at their end, having been occupied only a year or two, and likely to suffer considerable disillusionment. Given the importance of women in agriculture in most developing countries, and their particular importance in such items as poultry and horticulture production, a more obvious area for training would be agriculture, perhaps in the form of short courses centred at farmer training centres. Vocational training for educated young women concentrates in the same way on clerical and typing work, where there is often excess supply, and needs to be diversified.

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[1] See also para 4.87 below.

[2] A recent comprehensive project—'Women in the Caribbean Project' (WICP)—generated many proposals relevant to this issue (see J. Massiah, 'The Utility of WICP Research in Social Policy Formulation', University of the West Indies, Social and Economic Studies, September 1986).

4.51 *We see equality between the sexes in access to employment as a basic objective of an employment strategy. We particularly recommend the adoption of measures to increase young women's access to credit, land and government support services and action to reduce sexual stereotyping and occupational segregation, and discrimination by gender.*

4.52 We noted in Chapter 2 that, in the inner cities of the United States, Britain, and some other developed countries, the rate of youth unemployment among ethnic minorities is substantially worse than for the indigenous population; twice or more in some cases. There is much less documentation of the situation in developing countries but it is widely recognised that in many instances racial, religious or tribal minorities suffer disadvantage.

4.53 While the issue of specially 'disadvantaged' groups goes well beyond the remit of this Report, we note that some programmes have been directed towards them. In some cases the targeting is indirect—as when public works programmes are centred on areas where 'specially disadvantaged' groups are concentrated; in others there is explicit targeting (as with language courses for immigrant groups); and in yet others there is explicit positive discrimination, as in the case of quotas for disabled people in the British Disabled Persons' Employment Act. The approach adopted in particular cases will vary as much for political as technical reasons, *but we recommend that in order to reduce relatively high rates of youth unemployment among these specially disadvantaged groups, action must be taken to protect them from job discrimination and to ensure that they have access to training, counselling and other support services.*

II. PREPARING YOUNG PEOPLE FOR THE WORLD OF WORK

4.54 This section reviews ways by which young people can equip themselves with the knowledge, skills and other attributes required to take advantage of work opportunities. We focus mainly on vocationally-oriented schooling and on post-school or out-of-school training.

4.55 Education has a multiple role. It helps young people to develop their personal capacities and to become responsible and useful members of society, but also prepares them for the world of work (as well as keeping them off the labour market). There is of course no necessary conflict between these objectives. Communication skills (including literacy) and numeracy provide the foundation for a satisfying life, for success in work and for vocational training. Educationalists are as concerned as policy-makers and employers to emphasise such goals as problem-solving, creativity, adaptability, self-motivation and cooperation. These attributes are important not only in relation to work performance at any moment in time but also in adapting to changing work tasks over a working life.

4.56 Schools may also play an important role in conveying 'prevocational' or 'vocational' knowledge and skills; a broad-based introduction to the world of work is desirable at the school stage. Know-how relating to particular vocational skills may be introduced at school, through youth or adult training courses or extension services, and at the work-place.

1. Access to Education and Training Opportunities

4.57 Lengthening the period of schooling or training temporarily reduces the numbers seeking full-time employment; it also raises the competencies of youth, thus helping to improve national economic performance. Notable examples have included Japan, where most students continue schooling to age 18, and Germany, where most school-leavers enter apprenticeships and continue with part-time studies to age 18. Britain's Youth Training Scheme and Australia's Participation and Equity Programme represent moves in this direction. Resource constraints mean that this option is not, however, available to many Third World countries. The need for some kind of transitional provision, including continuing study opportunities for young people, is widely recognised however, and has resulted in initiatives such as self-help secondary schools, distance-learning schemes for the continuation of schooling and the 'youth polytechnic' movement.

4.58 In most developing countries the importance of the informal or traditional economy means that much education and training has also operated through non-formal channels. As economies modernise, however, more structured arrangements are necessary. The priority belongs to basic schooling: primary school provision in particular. Support may be needed for developing low-cost teaching aids, and upgrading teacher training, so that early drop-out from school by disadvantaged children can be minimised.

4.59 At post-primary levels there are various moves to make examination systems more flexible so as to allow a second chance to drop-outs and to facilitate continuous educational improvement by individuals. A flexible means of extending educational opportunity is to develop further the idea of *continuous education*. Under such a system it would be possible to secure credits for performance in different subjects at different levels and at different times, either in-school or after leaving. Independent study is becoming particularly important in view of the budgetary constraints on the formal system and increasingly feasible because of distance-learning techniques and the development of self-study materials. This subject is currently the focus of examination by a Commonwealth Expert Group parallel to our own[1], and we believe its report will merit close attention in view of the importance of the subject.

4.60 *For developed countries we recommend that some form of education, part-time or full-time, should be made available until at least age 18. It is important to ensure that early school-leavers, especially disadvantaged youth, are encouraged to continue to study and do not move suddenly from the structured world of schooling into a vacuum—without a job, without training and without counselling.*

4.61 *For developing countries we recommend that priority is given to literacy programmes, to the quality of basic schooling—especially in maths and science—which may mean a downgrading of inappropriate and expensive forms of higher education, and to a greater emphasis on improving learning materials, developing low-cost teaching aids and upgrading teacher training.*

4.62 *We further recommend that all countries should move towards systems of continuous education, incorporating greater flexibility in examination systems and making maximum use of the opportunities for independent study provided by new distance-learning techniques and technology.* This recommendation, like the two previous ones, relates to concepts which would be part of a 'Youth Entitlement' (see paras 4.109–4.110, below).

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[1] The Commonwealth Expert Group on Distance-Education and Open Learning.

2. The Content of Schooling

4.63 For more and more young people in developing countries (like developed countries before them) it is some stage of secondary school that marks the completion of their formal education; and it is at this time, coinciding with adolescence, that many young people take the initial steps in the transition from child to young adult worker. The issue that arises for education policy makers is how far the school, and especially the secondary school, should prepare pupils directly for the world of work, and the amount of vocational preparation and degree of specialisation it should provide. Should the school simply lay deep and strong general education foundations on which more specialised training and work experience can be built after school? Or should it anticipate the later need for specialised skills and itself try to provide some of these? Depending on the answers to these questions, and resources available to implement the preferred option, a country may decide to approach the preparation of students for working life in different ways. It might go for general education, trying to infuse the teaching of all subjects with a practical orientation relevant to the world of work. At the other end of the spectrum it might set up specialist vocational schools which aim to provide job preparation and to convey particular skills as part of the curriculum. Or it might take some middle path of imparting a vocational orientation to a basically general curriculum. We recognise that the different circumstances of countries will mean different choices and that there is no standard solution applicable to all. But we do believe that these questions should be asked and answered by the countries themselves.

4.64 We believe that *general education* should serve *inter alia* as a base for further studies and for students' later working lives. It should have an economic as well as a social significance. A broad range of subject matter should be provided, and teaching should use methods such as project-work in order to develop creativity and self-reliance. When competently taught, subjects such as languages, history and science can help develop a basis of knowledge and skills that is essential for occupational mobility. It is especially important that pupils should continue with some science/mathematics studies throughout their schooling, to provide a basis for training/re-training during their entire working lives; thus some components of science and mathematics must be designated as part of a basic curriculum throughout formal schooling. The permeation of the average work-place by rapidly changing technologies, including computers, in developed countries today and in the developing ones tomorrow, underscores this. It must be anticipated that familiarity with computers will become a basic component of education, and indeed a tool for learning, in many countries by the turn of the century.

4.65 In some circumstances specialised 'vocational schools', which are fully equipped with workshops, staffed by specialist instructors and intended to inculcate full competence in specific vocational skills, have been found to be a useful means of developing skills. In other instances, however, they have consumed a large proportion of the education development budget, only to operate with difficulty and to limited effect. They tend to be expensive, they have problems in reflecting the real world of work in their curriculum, and they have sometimes made the mistake of specialising too narrowly, whereas students at the ages they are serving need to keep their options open. In many instances, graduates of specialised vocational courses at secondary level have not been able, or have not wished, to use their specialist skills afterwards.

4.66 Clearly there is an intermediate position between arguing on the one hand that all education, even the most general, prepares for the world of work; and the counter-suggestion that full-blown vocational schools are what is required. We have already noted the argument, accepted by many policy makers, that on educational, attitudinal and employment grounds it would be desirable to incorporate some 'prevocational' elements[1] into school curricula, and that this would bring some benefits in terms of a better prepared labour-force (or a better preparation for subsequent training). One can think in terms of action through the school curriculum, through work experience and links with employers, and through vocational guidance.

(a) *Prevocational elements in school curricula*

4.67 In relation to curriculum, the introduction of prevocational components into existing courses can increase the practical relevance of some school subjects. For example, agricultural or technical 'modules' may be brought into science curricula, or the functioning of business enterprises and cooperatives into social studies. Such changes may emanate from those responsible for curriculum development, as in the recent production of the Science and Technology in Society (SATIS) materials by the UK Association for Science Education and in the work of the Secondary Schools Community Extension Project (SSCEP) in Papua New Guinea. Leadership may also come from school examining bodies. A noteworthy example from developing countries is the new Primary Science with Agriculture syllabus being introduced in Kenya.

4.68 A prevocational component can be introduced as a separate part of the school curriculum for all pupils. In developed countries the curriculum often includes compulsory 'tasting' of some prevocational areas up to about age 13, and an elective option thereafter. Alternatively some programmes have been designed to make schooling more meaningful for 'low achievers' through a focus on 'real life'. Examples can be cited from Britain and New Zealand. There is a wide range of possibilities, including programmes focused on work-exploration, job-search, work skills, etc for pupils deemed 'at risk' of unemployment. These programmes raise the problems of balancing the practical relevance of a curriculum against a community's perception of what is required for upward mobility; but if parental support is forthcoming they may be successful. Britain's Technical and Vocational Education Initiative, on the other hand, provides an example of an elective vocationally-oriented option for the 14–18 year age-group, aimed at pupils from anywhere in the ability range (see Box 4 on page 87).

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[1] 'Prevocational' elements are defined here in the broad sense of vocationally-oriented education undertaken at a level which does not lead to full vocational competence, thus corresponding to the wide range of programmes introduced in Commonwealth schools.

4.69 In developing countries there have been many initiatives in this area. Examples include Gandhian education and school-based 'Socially Useful Productive Work', in India; 'Education for Self-Reliance', in Tanzania; and 'compulsory' agriculture, craftwork or other vocationally-oriented programmes in other developing countries. Governments have often felt impelled to introduce such vocationally-oriented curricula, or curriculum elements, for all pupils at short notice, with a weak delivery system, poor teacher preparation, and inadequate tools, materials and facilities. Combined with parental opposition, these factors have often led to weak programme implementation or even to termination. Parents often keep their children in school specifically for the 'life chances' they may gain from passing 'academic' examinations and regret any time 'wasted' on other courses, e.g. leading to 'self-employment'. Inclusion of prevocational subjects in the school-leaving examination could overcome that obstacle but in practice it would be difficult because of inequalities in school facilities for prevocational courses.

4.70 Clear lessons emerge. One is the necessity for the establishment of curriculum development units to undertake thorough preparatory work. Another is that prevocational activity should not take up so much of the timetable that parents see it as closing options for their children. A third is that low cost equipment and materials should be used wherever possible. Much may be learned from the Life Skills Programme in Sri Lanka (see Box 9 on page 102) which although resource-intensive and dependent for its development on external (UNESCO-UNDP) support, has indicated a possible way forward through the use of cheaper methods and materials.

4.71 *To assist the vocational orientation of education we recommend the gradual introduction of carefully developed and well tested curricular materials. Attention could usefully be given to the development of* *vocationally-oriented modules using low-cost technologies, with prototype guidelines for class use and for teacher training and incorporating suitable reference materials.* They can be presented either as a separate curricular component or as part of existing school subjects. Given the many common elements among developing countries in the types of productive activities undertaken, we believe significant economies might be achieved in the sharing of vocationally-oriented teaching materials rather than each country trying to produce them.[1]

Box 9: Provision of Life Skills in Sri Lanka

Among the foremost issues in education policy is that of making schooling more relevant to the world of work. Sri Lanka is attempting to achieve this with its Life Skills programme for pupils at the beginning of the Junior Secondary stage. This programme is intended to promote a positive attitude to the world of work, facilitate the acquisition of domestic and other skills relevant to a range of vocations, and provide activity-based learning experiences.

The Life Skills curriculum consists of 'learning events', of which 82 were developed during 1982–85. These events are based on the 'life skills' of survival, maintenance and improvement of the quality of life. Examples include making an improved tool for harvesting fruit; compost making; and mending a puncture in a bicycle tube. Schools are expected to choose at least two 'learning events' for each grade from each of the following groups: agriculture and gardening; electricity; woodwork and metalwork; ceramics and weaving; home economics; and a miscellaneous group including maintenance of bicycles and other machinery.

The programme began with the development of detailed guides for teachers on each 'learning event'. These increase the effectiveness of in-service teacher training as the trainees, who are teachers of general subjects, are able to devote all their attention to practical exercises. The 'learning events' require from two or three to about eight 40-minute periods for completion. They are categorised into four groups according to the facilities available in schools, and are also classified according to the age of the pupils. Teachers can choose 'events' within the topics specified, and are expected to complete some 10–12 each year.

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[1] We make a recommendation below (para 4.105) on how this might be promoted.

(b) *Work experience*

4.72 In developed country school systems, work-experience or work-observation on employers' premises and/or work in the community are often part of the curriculum. They enable pupils to gain maturity and to explore the type of work they might wish to pursue. It is important to ensure that the work experience and observation are linked to classroom studies, and that in undertaking them the students receive proper supervision. In developing countries, additional constraints are encountered. These include the small number of modern sector employers with whom placements can be arranged; transportation difficulties; and financial problems for some students in bearing the additional costs involved.

4.73 School-based work-experience activities may therefore assume higher importance in developing countries.[1] Pupils are often expected to work on the school farm or in other production units both to offset school costs, and for broader educational reasons. To be successful these activities need to be properly resourced with good land to cultivate; teachers must acquire relevant know-how and have the support of parents and the community. Another useful approach to develop enterprise among pupils is the provision of practical or simulated experience of the operation of productive enterprises, through setting up mini-companies or cooperatives run by their pupils. Examples include the Junior Achievement Programmes in Jamaica and Barbados, and the Zimbabwe Foundation for Education with Production (ZIMFEP) which organises cooperatives in schools for former refugee pupils.

(c) *Vocational guidance and counselling*

4.74 Vocational guidance and counselling are receiving increased attention in the schools of developed countries, as the problems of entry into employment have multiplied. From this standpoint they are especially important for young people from disadvantaged groups. The process is resource-intensive, however, and in the Third World context has yet to be fully exploited. School programmes should, however, help to make pupils aware of the nature of the economy into which they will move and the types of occupation realistically open to them.

3. Formal and Non-formal Training

4.75 Space does not permit us to review all forms of post-school training. Our particular concern has been the design of training opportunities for those young people in developing countries whose schooling has not led on to wage employment or higher education. One response to youth unemployment in developing countries has often been 'more training'. The question may be asked, however, 'training for what'? There is only scope for a certain number of carpenters, masons, etc in a given locality at a particular time, and if mismatches between the supply of and demand for different skills are not to occur, training (like education) has to be adjusted. In this context, 'training', as well as providing directly usable skills, can assist during the 'transition' period—by helping young people to take a constructive view of the work opportunities in their locality and providing a 'bridge' from school to adult life (another aspect of the concept of a 'Youth Entitlement', to which we refer later). There are some useful experiences to compare.

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[1] The Foundation for Education with Production, based in Gaborone, Botswana, serves as an information clearing house in this field.

(a) *Apprenticeships*

4.76 Apprenticeships began as training on-the-job by the employer, but nowadays they often incorporate an element of formal study off-the-job. The modular approach to training of apprentices (and others) has permitted swift and smooth matching and adjustment to the changing needs of the many specialised occupations of modern industry (see Box 10). The modern apprenticeship system has been a vital ingredient of the economic success of some countries. In Germany, for example, some two-thirds of those aged 15 or 16 enter three-year apprenticeships with an employer recognised for the purpose. Though the training provided may not always match the jobs that are available, in Germany it is believed on grounds of equity, social stability and benefit to the economy, that every young person should become a qualified worker.

4.77 Developing countries often contain both this more modern type of apprenticeship in the formal sector and the traditional arrangement whereby parents may pay a master craftsman to apprentice their son in a well-remunerated skill. The National Apprenticeship Board of Sri Lanka has developed a 'village apprenticeship', in which village craftsmen take on local youth for one-year of training designed to make them 'employable'. Resources do not permit more extended training since the apprentices are paid the same state allowance as in formal city-based schemes. Placement with master-craftsmen has likewise played a major part in the Indian scheme for the Training of Rural Youth for Self-Employment (TRYSEM), which formed part of the Integrated Rural Development Programme in the Sixth Five Year Plan (1980–85).[1]

(b) *Transition schemes*

4.78 Developed countries have used several types of transition scheme to provide school-leavers with some experience of the world of work. One approach (tried by Australia, Britain and New Zealand) has been to assign young people to spend a certain period, such as six or twelve months, as an employee of a participating organisation. The employer gains some form of subsidy (direct grant from government—as in

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[1] See also para 4.86 below.

Britain—and the trainee's product), the opportunity to identify 'employable' young people, as well as performing a service to society. In Third World countries, there is at present only limited scope for placement with modern sector employers because of the large number of applicants and small number of places available, as well as financial constraints. There are some notable examples, however, including the Human Employment and Resource Training (HEART) Trust in Jamaica which places selected school-leavers with an employer for one to three years of on-the-job training (see Box 11 on page 106). National service schemes and public works have also been used to provide work-experience programmes for young people.

Box 10: Modular Skills Training

Modular skills training is a flexible method of training or re-training in specific skills or skill groups. Traditional and new occupations are broken down into identifiable elements of skill, for which an instructional module is prepared, together with guidelines for assessment. The criterion is thus achievement, rather than time, as in traditional apprenticeship systems, and this enables trainees to build up recognised skills at their own pace. Moreover, the modular principle allows for foundation studies and more specialised study units to be combined to form a training sequence aligned to the needs of a particular group of workers.

Modular training has long been used in the developed countries in many trade/skill areas. Its use in developing countries is growing, assisted by the creation of modular training packages by institutions such as the ILO. A recent pilot programme in Southern and Eastern Africa—the ILO's Skill Training for Self-Reliance Project—has applied the modular principle to training for rural occupations. Commercial enterprises in developed countries have also been active in this field.

4.79 Transition schemes combining work-experience and training (like apprenticeship) are able to confer skills of more general application than those acquired solely and informally on-the-job; they also offer more explicit trainee status. In Britain the Manpower Services Commission has adopted this combined approach, in the form of a Youth Training Scheme (YTS) open to any person aged 16 or 17 years (see Box 4 on page 87).

4.80 Broadly similar 'pre-employment' programmes have been introduced into several other developed countries to help young people—especially the under-privileged—acquire the skills of job-search or gain access to training. In Australia, for example, technical and further education colleges offer 'link courses' which introduce school-leavers to a range of occupational skills, and pre-employment courses combining core studies with an introduction to various fields of work. In line with our concept of a 'Youth Entitlement', *we recommend that all countries move towards comprehensive, pre-employment, 'transitional' arrangements for school-leavers which combine work experience and training and provide recognition and accreditation. In the case of developing countries many will need help to assemble the basic components of such a system.*

Box 11: An Integrated System for Vocational Training in Jamaica

The Human Employment and Resource Training Programme (HEART), together with its coordinating body, the HEART Trust, is the umbrella under which all national training programmes in Jamaica fall. Launched by the Prime Minister in November 1982, HEART is intended to develop, encourage, monitor and provide finance for vocational training schemes; provide employment opportunities for trainees; direct or assist the placement of persons seeking employment in Jamaica; and promote employment projects. It includes a school-leavers' programme, building skills programme, apparel and sewn products programme, and craft training and agricultural skills training. The school-leavers' programme, for those with at least two passes in school certificate examinations, provides one to three years of on-the-job training in private sector firms including some of Jamaica's largest corporations. For those school-leavers for whom placement is not immediately possible, HEART has a system which enables them to attend evening classes in business studies and continue their education in an effort to upgrade their academic standards and so increase their suitability for employment. The building skills programme provides training for graduates of technical/comprehensive, high and new secondary schools and industrial training centres. The Programme offers training in the most modern techniques of carpentry, masonry, plumbing, welding, and electrical installation. HEART seeks also to foster the use of indigenous natural resources by its craft skills and apparel and sewn products programmes, and by providing a wide range of training in agricultural practices. Funding is based on a three per cent levy on the salary bill of private sector employers, less any expenditure they incur on stipends to HEART trainees they employ.

(c) *Non-formal training*

4.81 The formal education and training systems do not cater for the substantial out-of-school youth population which exists in most developing countries. To help fill this gap, most of these countries have created a range of non-formal training schemes. These may incorporate a remedial component and typically convey craft skills which trainees hope will lead to employment in the formal or informal sector, including self-employment.

4.82 The education system itself can provide a possible base for such training schemes, having premises throughout the country and physical plant and facilities that could be used more intensively. In Sri Lanka there are over 900 'Technical Education Units' for ex-pupils based in school premises. The initial scheme of part-time Units has been supplemented by Units giving full-time courses, operating two or three hours per day, five days per week outside of normal school-time.

4.83 In many countries various government departments as well as non-governmental organisations have been instrumental in imparting craft skills through non-formal training. The 'youth polytechnic' movement in Kenya was initiated on a self-help basis and has gained widespread support (see Box 12 on page 108). One problem is that the same trades have tended to be emphasised repeatedly, regardless of the fact that demands vary over time and between localities. There is a dearth of tracer studies and monitoring systems with respect to the trainees that would indicate when skills are in oversupply. It is in any case clear that non-formal skill training normally caters for too few of the entrants to the labour force to be seen as a solution to unemployment. Even in Kenya, where the youth polytechnic programme is one of the largest out-of-school rural training programmes in Africa, with an intake of some 16 000 a year, no more than some 5 per cent of the annual addition to the workforce are catered for. In most other countries the percentage would be significantly smaller.

4.84 Some schemes offer training not only in craft skills but in other life skills. In Trinidad and Tobago, for example, the SERVOL (Service Volunteered for All) programme provides a 12-week orientation course to build up a sense of security and self-respect followed by a 12-week course in parenthood and caring skills. Participants simultaneously receive training in craft skills, including attachment to employers for a period of on-the-job training.

4.85 Recognising that the majority of people in the Third World sustain themselves partially or completely outside the formal wage-earning sectors of the economy, some countries have established training schemes aligned to self-employment. A first observation is that the design of the training process is crucial. For example, there is the choice of skill-mix; to avoid mismatching, courses need to be planned in consonance with the nature of the local economy and the scope for its development, and should encompass a number of skills relevant to local conditions. Then there is the decision on whether to include operational guidelines on self-employment—i.e. how to manage a productive enterprise. There is also the question of providing production practice; a short course may not convey sufficient practical skills, and the operation of a 'production unit' by trainees or ex-trainees should be considered. The final and most crucial issue is how to provide continued counselling and help with organisational matters, such as credit, marketing, accounts, and supplies, which can cause difficulties for young people with limited resources, experience and status.

Box 12: Kenyan Youth Polytechnics

One of the best established non-formal training programmes imparting craft skills is that of Kenya's 'youth polytechnics'. The origins of this programme go back to 1963 and by 1984 it embraced 288 polytechnics with nearly 31 000 trainees. The focus is on carpentry and masonry for boys, and tailoring/dressmaking and home economics for girls, taught over two years. The target group mostly comprises rural primary-school leavers. As with Botswana's Rural Brigades and Zambia's Skills Training Centres, the Kenyan polytechnic movement has been outstandingly successful in securing non-governmental organisation and donor financial and manpower support, as well as substantial Harambee (self-help) funds. It has retained a flexible structure which has permitted a combination of private and public funding, including a measure of voluntary funding. The Kenyan youth polytechnics appear to have served as an invaluable training institution of last resort, so that those not succeeding in the primary school-leaving examination do not find *all* doors closed to them. They also offer an opportunity to children from poorer families not able to afford the fees for other forms of education and training.

4.86 The TRYSEM scheme which has trained almost a million young people aged 18 to 35 in India is worthy of note here. Participants receive a stipend while undergoing training with master-craftsmen or artisans, or at technical institutes and training centres of the Khadi and Village Industries Commission. About half the participants have been recorded as having entered self-employment (the scheme was amended in 1983 to incorporate the objective of training for wage employment also). An evaluation by the Planning Commission noted, however, among other problems, the tendency to confine training to a few well known areas, and lack of follow-up and infrastructural support for trained youth. Suggested remedies include the establishment of a Composite Rural Training and Technology Centre in each district, based on an existing training institution, to disseminate appropriate technology and provide training to master craftsmen and other trainers.

4.87 Another approach is for a group of young people to be helped to enter production and then given skill training and management guidance until they have acquired the necessary skills and experience. The Youth Economic Groups in Tanzania provide a promising example of this kind of 'stay-put training', although the idea of such a group could also be used as a follow-up to conventional training. Most training is carried out by extension officers and skilled workers from within the community but selected members may be sent for training elsewhere, and train other members in a particular skill on their return.[1]

4.88 Training may also be undertaken by youth organisations, often in an informal manner. Examples include a YMCA training scheme in Canada, a YMCA mobile training programme in Fiji (see Box 13 on page 110), and training in various agricultural and fishery activities by a youth group in Fiji. The 'diversified' activities of youth organisations can be helpful when production, marketing or supply problems are encountered which might lead to discontinuation of a training activity based solely on production.

4.89 While there are many examples of interesting and successful arrangements which have evolved to improve training in the non-formal sector of developing countries, these are, by their nature, usually small-scale and unknown outside a specific locale. *We recommend a major effort by international agencies and governments to disseminate knowledge of existing non-formal training practices, such as village apprenticeships; and to exchange experiences, so as to produce training materials suited to low-cost productive activities which young people may enter in large numbers.* As a supplement to these efforts it would be helpful for international agencies to develop a widely usable 'handy person' tool kit for trainees, building on the work of the ILO in its Training for Self Reliance Project and that of the Intermediate Technology Development Group.

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[1] See also para 4.48 above.

Box 13: YMCA Mobile Training Programme in Fiji

In 1971, the YMCA established a Rural Youth Programme in Fiji, aimed particularly at promoting self-employment activities for village youth. The need for vocational training at village level was recognised early and in 1974 the first Mobile Training Programme was established in outboard motor maintenance and repair; it was followed by courses in carpentry (including building and boat construction), wood-carving, chain-saw milling and sewing machine maintenance and repair. Training is undertaken by instructors who, together with their tools, move from one village to another conducting short courses in specific skills.

This approach has required considerable organisation to ensure that the training is provided to the right people at the right time and in the right place, and that courses keep the instructors fully occupied. Some trainees have used their new skills to establish enterprises while most, already self-employed, have used them in their existing occupations. Despite problems of organisation and finance the training programmes have been highly effective in meeting the needs of the rural population, while avoiding large expensive facilities, high costs to the individual or community, and extended interruption to existing commitments. Following their success in Fiji, mobile training programmes are now being developed in a number of other Pacific island countries.

III. REDUCING THE JOB PRESSURES

4.90 One way to reduce youth unemployment is to lower the number of young people seeking work. In fact, demographic factors in most developing countries make it impossible until at least the start of the next century for there to be any actual reduction globally, in the number of young people of an age at which it would be usual to seek work. But various measures can be taken to lessen the rate of increase. Following our earlier discussion of education there is the short-run solution of delayed entry into the workforce through extended schooling, though this would have an impact on the unemployment figures only during the transition period when the age of full-time education was being raised. In the longer term the answer lies more in the possibility of changing demographic trends. Various other ideas have been canvassed to reduce youth unemployment, including early retirement and work-sharing. We consider some of the main aspects of each.

4.91 *Population policy* is not something we felt we had to examine in detail in this Report. But neither could we ignore it. The relationship between the provision of and requirement for labour is a complicated and dynamic one but it is apparent that, for example, increases in the number of young persons who cannot find productive work are, at least to some extent, related to increases in the number who are seeking such work. And the latter is very clearly related to the net increase in population and thus to the disparity during recent decades between the relative decreases in the death rate and in the birth rate.[1]

4.92 Though the global rate of growth of population is now falling, the demographic age structure ensures that it will remain high in developing countries for several decades to come, even if couples have fewer children. The issue is how quickly the rate of increase can be slowed down and how individual countries are to manage in the meantime. There is general agreement that rapid population growth does pose a major problem for development. First, it increases the pressures for consuming all incremental income 'today' instead of investing some of it for consumption 'tomorrow'; faster population growth makes investment in human resource development especially difficult. Secondly, it threatens what is in many countries already a precarious balance between natural resources, the environment and population; this problem is especially critical in predominantly agricultural communities existing on marginal lands, as in parts of Africa. And finally, it creates a population structure with a high dependency ratio and a high level of new entrants to the labour market.

4.93 Nationally these problems differ, in both degree and kind, but public policy aimed at reducing fertility, or maintaining it at a low level, has a role to play in almost all countries. It is especially important in developing countries making the transition between a traditional and a modern economy. Here, policies are often required to bridge the gap between the personal and social benefits and costs of large families. Broadly, such policies have to seek to secure the income which parents think children can bring them, without incurring the concomitant expenses for society. More narrowly, policies should support family planning programmes by providing information on, and facilities for, birth control and through literacy programmes, especially for women. Experience has shown that population policy can make a marked difference to fertility. The obvious example is China; but large declines in fertility rates have also occurred in parts of South Asia (e.g. Sri Lanka and southern India), parts of Latin America (e.g. Colombia) and parts of Africa (e.g. Egypt); equally important is that rates are beginning to fall in countries where they have been very high (e.g. Kenya and

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[1] See paras 2.38 and 3.36–3.37, above.

Zimbabwe). The pattern of decline shows that many factors are at work: not only income and religion, but also education and the status of women; government policy clearly has a major role to play in all of them. A pre-condition, therefore, for a multi-purpose strategy for reducing youth unemployment is a strong commitment to a planned reduction in birth rates.

4.94 Several developed countries operate schemes which relate early *retirement* to hiring of unemployed workers. In Britain, for example, under a job release scheme the government offers an allowance to persons within one year of normal retirement who leave employment, provided their employer replaces them with an unemployed person. In Belgium and France, the government relieves employers of some superannuation costs in return for hiring youth.

4.95 Provided early retirement is taken voluntarily, there may be benefits all round in offering increased leisure towards the end of the average person's actual or working life rather than enforcing it through unemployment at a crucial formative period of life. But early retirement can cause severe personal difficulties unless appropriate modifications are made for corporate and/or state pension schemes to ensure a continued flow of income at an adequate level. Moreover, it can lead to serious loss of human potential and accumulated knowledge and skill.

4.96 Attempts to increase employment by sharing available work among more people and reducing the time each works on a particular task commonly occur through the normal workings of the labour market and decentralised bargaining. New technology, in particular, offers the opportunity for productivity improvements which could, among other options, be used to create more jobs together with shorter hours of work for the existing work force. Formal *work-sharing* schemes tend to be restricted to developed countries, though they could equally be applied to the 'modern' sector of developing countries. Several of them are directly relevant to youth. In some countries, enterprises which reduce their employees' period of work (to 38 hours per week in Belgium, for example) receive a subsidy to hire either the unemployed or young trainees and apprentices. Sometimes, as in the Netherlands, in exchange for a reduction in the working week for existing employees, young people are introduced into employment on a phased basis, progressing from 20–24 hours to 32–36 hours per week. Such arrangements can be useful to youth who would not otherwise be in a position to acquire practical work experience. But there are many difficulties with work-sharing schemes, in terms both of additional costs to employers (e.g. from social security payments and other overheads related to numbers employed) and of reduced incomes to recipients (e.g. as a result of part-time working). To conclude, we see merit in work-sharing and early retirement schemes only where these are voluntarily undertaken and where they are carefully designed so as not to have the effect of shifting the burden of unemployment from one vulnerable group to another.

IV. ORGANISATIONAL FRAMEWORK

1. Mobilising the Social Partners

4.97 Organisational requirements for youth training and 'transition' and employment schemes vary greatly between countries, as do organisational structures. One example of a central coordinating body, with a significant operational budget, is the Manpower Services Commission in Britain (see Box 14 on page 114). A similar example of this integrated approach, in a developing country, is the Human Employment and Resource Training (HEART) programme (see Box 11 on page 106). Other governments have different methods of central coordination. The Canadian system is illustrated in Box 15 (page 115).

4.98 What is more important than organisational structure, however, is the need to mobilise mutual support behind the programmes to ensure that they receive priority attention, and enjoy stability in the face of changes in government. To help achieve this, we stress the importance of the tripartite principle and of all the social partners agreeing on long-term objectives to which they can all work. Specifically, *we urge that employers' and workers' associations and youth organisations should be involved with government at all levels of policy-making and action concerning the preparation of young people for work, their access to employment, the conditions under which they work and the levels of remuneration they receive.* The relevant ILO standards relating to youth should be ratified and implemented by all ILO states in a position to do so.[1] The International Covenant on Economic, Social and Cultural Rights, adopted by the United Nations in 1966, which provides *inter alia* for the right to work, and ILO Recommendation 169 of 1984, which concerns Employment Policy, should be treated in the same manner.

4.99 Numerous employers already take a long-term view and many examples could be cited of the excellent vocational training and work-experience schemes they provide for young people in their work force; some have even established programmes for needy youth by way of social service. Trade unions likewise make a valuable contribution to the provision of training and work opportunities. They have, for example,

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[1] These standards and the ILO position on youth unemployment were set out in a Resolution on the Conclusions on Youth, adopted by the 1986 International Labour Conference.

Box 14: An Integrated Approach: the Manpower Services Commission in Britain

The evolution of Britain's Manpower Services Commission (MSC) illustrates one way in which an organisation can build up experience and expertise over time. Established in 1973 to promote training and employment, this tripartite organisation includes representatives of employers, trade unions and education authorities, as well as of government.

Apart from the Community Programme, the Technical and Vocational Education Initiative (TVEI) and the Youth Training Scheme (YTS), mentioned earlier (see Box 4, page 86), the MSC operates many other programmes. Its employment programmes include the New Workers' Scheme (paying employers who take on young people full-time in their first year of employment), the Restart Programme and Jobstart Allowance (for long-term unemployed), the Job Release Scheme (providing financial help to older workers who retire early and release their full-time job to an unemployed person), and the Job Splitting Scheme (helping employers to provide more part-time opportunities to unemployed people). MSC training programmes include the Job Training Scheme (offering at least six months work experience and training with an employer for those wanting to learn new skills) and Training for Enterprise (for potential business owners or managers). There is also an Enterprise Allowance Scheme (providing financial help to those unemployed who wish to become self-employed), and Special Needs Programmes (for example to help those ethnic minorities with English language difficulties to learn skills).

The MSC is a large organisation, with over 4000 staff working on the YTS programme alone. Its Training Division has nine Regional Offices and 55 Area Offices which service 55 Area Manpower Boards. Although an organ of government, it has a free-standing status as a funds-dispensing organisation, which enables it to work through other bodies. Thus colleges of education run by local authorities have been among the 'managing agents' who organise YTS at grass-roots level. (Most managing agents are employers or groups of employers but some are organisations that have specialised in YTS work and others are voluntary organisations.) Likewise TVEI programmes are operated by local education authorities on the basis of funding from the MSC.

Box 15: The Canadian Jobs Strategy

In 1985 the Government introduced the Canadian Jobs Strategy (CJS) which represented a fundamental shift away from short-term job creation to programmes that combine training and work experience. Three of the six components of CJS are specially relevant to youth, who account for almost half the participants and on whom close to 40 per cent of the C$1.5 billion budget is spent.

The strategy includes a job entry scheme which is designed specifically to help youth who are having difficulties making the transition into the labour market, and offers practical combinations of training and on-the-job experience. Job entry projects are designed and administered by coordinators who work closely with local business and community groups. Participants receive an allowance or, if eligible, unemployment insurance benefits.

There is also a job development programme which provides training and job opportunities for those who have been without employment for at least six months or who face other barriers to working (e.g. physical or mental disability). Wage subsidies and training costs are provided. Employers may sponsor projects under this programme. The Canadian Construction Association, for example, provides an opportunity each year for about 100 young people in Prince Edward Island to develop basic work skills, learn how to function in the world of work and demonstrate their abilities in a work setting. The scheme makes available a combination of on-site and off-site skills training which include basic construction techniques, stock management and sales promotion.

An innovation-promotion programme encourages the search for new approaches to labour market problems. For example, pilot projects are being supported in the areas of youth entrepreneurship and creative approaches to training in job search skills.

set up the Workers' Institute of Technology—a large training complex—in Malyasia (see Box 16 on page 116); they have also established micro-projects serving the very poor, such as youth cooperatives and a garment factory in India, a vocational training centre for estate workers in Sri Lanka and a handicraft training centre in St Vincent. The International Federation of Plantation, Agricultural and Allied Workers has supported pilot projects of this nature in developing countries through affiliated national associations. Both employers and unions can, and do, contribute to non-formal as well as formal training.

Box 16: The Trade Unions' Role in Training in Malaysia

Trade unions play a role in training in many countries. One prominent example of this is in Malaysia where the Workers' Institute of Technology (WIT) was established by the Malaysian trade union movement in 1977 as a non-profit technical education institute registered with the Ministry of Education. The Institute is apolitical. Its establishment was primarily secured by funding from Malaysian trade unions and other affiliates of the International Confederation of Free Trade Unions (ICFTU), while current operations are funded mainly from student fees and donations.

Designed as an integrated campus sited on 10 acres in Pandamaran, Port Kelang, WIT has modern workshop facilities and lecture halls to ensure quality education and training in technical skills such as electrical, auto-mechanical, electronics, civil and structural engineering, welding, machining and general mechanics. It provides pre-university courses which include a three-year engineering diploma, a two-year technician diploma, and skilled craftsmanship courses of one to two years. The Institute also provides retraining and refresher courses for serving employees in the public and private sectors. Since its founding, WIT has provided technical training in various engineering disciplines for more than 4000 Malaysians, and is widely considered a symbol of Malaysian workers' contribution towards the development of skilled manpower.

4.100 Voluntary organisations also have a vital role to play in mobilising local communities and enlisting their support for youth-oriented programmes. In the developing countries such organisations are increasingly seen as a means for channelling assistance to those disadvantaged groups (including many youth) most affected by poverty but lacking the status to benefit significantly from officially administered programmes. A recent analysis[1] stressed their role in stimulating employment, especially in the informal sectors and in rural areas; delivering services such as finance, extension, training and infrastructure in an especially effective way; and promoting self-help through cooperative savings, production, marketing and training programmes.

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[1] 'Alternative Strategies for Rural Employment Promotion', M. A. Rahman, ILO, 1987 (mimeo, draft).

4.101 An important locus of integrative policy on youth unemployment may be through the networks of youth organisations which exist in many countries. The role these can play in enriching the life of young people can be specially useful in view of:

- the difficulty of bringing work and other opportunities to youth, especially those in the most disadvantaged groups;
- the possibility of helping youth to benefit from facilities available to the general public, e.g. credit, enterprise schemes;
- the need to offer support during the 'age-employability gap' between early termination of schooling (e.g. due to lack of places) and readiness for training/wage labour/self- or cooperative-employment;
- the desirability of providing youth with access to traditional and new forms of recreation and culture;
- the scope for maintaining continuity of non-vocational activities during periods of difficulty in respect of vocationally-oriented programmes; and
- the need to use young people as agents for development.

Strengthened where necessary, these networks can form part of a more decentralised, participatory approach to youth employment creation and community service. Problems include an occasional lack of realism at managerial and grass-roots level (e.g. the assumption that a short course of training can generate a high probability of wage- or self-employment) and a shortage of funds. We are pleased to note that the Commonwealth Youth Programme (CYP) has endeavoured, within its limited means, to address these problems. Established by Commonwealth Heads of Government in 1973 to promote 'the development of young men and women of the Commonwealth', the objectives of CYP are to encourage and support young people's participation in national development; recognise their contribution to development; seek to eliminate youth unemployment and alleviate its ill-effects; and provide opportunities for increased international understanding among young people.

2. What the Commonwealth Can Do

4.102 In considering what more the Commonwealth can do to help to reduce youth unemployment, we have found it useful to keep in mind the traditional distinction which the Commonwealth makes between the functional and the consultative roles, i.e., the distinction between what the Commonwealth member countries or the Commonwealth Secretariat, acting on their collective behalf, can seek to do on the one hand and what they find it useful to look at and discuss together on the other. Our recommendations range widely for the reasons which emerge from our Report. They relate to matters of national economic management, as well as to more detailed matters specifically within the field of employment and unemployment. They thus cover the spectrum between the consultative and functional roles of the Commonwealth.

4.103 The Commonwealth has a particular interdisciplinary character, both by virtue of the representative character of its membership and because of the wide range of issues which it addresses. The establishment of our Group emerged from a meeting of Heads of Government which also directed its attention to the role of women and development, the problems of the management of technological change, the vulnerability of small states, the particular problems of African agriculture and the potential for distance-education using new technologies. All of these are relevant to our concerns. Likewise we understand that Heads of Government, when they meet in Vancouver in October 1987, will have a similar breadth of perspective when they consider our Report. We believe that Commonwealth Employment/Labour Ministers will wish to keep this aspect of the problem in mind in whatever comments they may make on our Report at their meeting in June.

4.104 As regards functional co-operation, we have taken into account the work already done by the Commonwealth Secretariat, the Commonwealth Fund for Technical Co-operation (CFTC) and CYP which reflects this interdisciplinary character. In the light of these considerations, we believe that the Commonwealth can—and should—complement and supplement the actions of national governments and the international community in a variety of ways.

4.105 We became aware early in our investigations that countries have taken or are contemplating many schemes, programmes and other initiatives to provide or promote youth and other employment. Details are very sketchy, however, and even the existence of most of them is not widely known. Few appear to have been evaluated or even reviewed. Documentation on the desirable characteristics of such initiatives, particularly in the case of those relevant to the informal sector, is equally absent or inadequate. There is, in short, a big information gap both in factual material and in assessments. *We recommend that the research capacity of the Commonwealth Secretariat be suitably enhanced to help fill this void and that it undertakes itself or commissions studies (including tracer studies) to provide the necessary assessments on which policies should be based.* To do so, the Secretariat, with the collaboration of governments and others, will have to gather much information. *We recommend that a suitable mechanism be established to facilitate this process.* The Secretariat should disseminate such information, in suitably abridged form, so that others can benefit from the lessons learnt. To take a particular example (from the education and training field) of what we have in mind, we believe that the Secretariat, through its Education Programme and in cooperation with the Commonwealth Association of Science, Technology and Mathematics Educators (CASTME), could usefully initiate work on the development and dissemination of vocationally-oriented materials and courses, and perhaps on vocational education more generally.

4.106 We also recognise that, of the schemes for which information is readily available, some are widely acknowledged to have been successes, and others less so. It may be invidious to particularise, but of the many examples from which we could choose, we suggest that much could be learnt from such initiatives as the Maharashtra Employment Guarantee Scheme in India, the Grameen Bank in Bangladesh, the HEART programme in Jamaica, the Youth Polytechnics in Kenya, Tanzania's Youth Economic Groups and the Stret Pasin Stoa scheme in Papua New Guinea. There are of course numerous others. *We recommend that the Commonwealth Secretariat, with CYP taking lead responsibility, organises exchange visits and on-site training courses through which officials and those with more direct responsibility for youth employment can learn from the experience of those who operate successful schemes.*

4.107 Another way in which the Commonwealth might help is through focusing more of its training resources on strengthening governmental machinery for the formulation and implementation of employment policies and programmes, particularly those directed mainly towards youth. At a bilateral level we are aware that some member countries with well developed machinery for this purpose already offer exchange visits and training fellowships. Equally, the Fellowships and Training Programme of the CFTC and, on a smaller scale, the CYP Youth Study Fellowship Fund already engage in work of this nature at a multilateral level. But the need to enable policy-makers and practitioners to investigate and learn at first hand from policy and programme initiatives in other countries is a great one, especially in Africa. We believe that training assistance similar to that made available under the Commonwealth Industrial Training and Experience Programme operated by the CFTC Fellowships and Training Programme might be considered for officials engaged in youth employment policies and programmes. The dissemination of successful or promising innovations suggested in the previous paragraph could be linked to initiatives for on-site training and study visits by individuals or groups from other Commonwealth countries. Commonwealth governments should consider making available additional resources to make these activities possible.

4.108 In addition we believe there is a case for more directly operational assistance to help Commonwealth developing and developed countries to generate more entrepreneurship among their unemployed youth. The *promotion of youth initiatives* to create employment through self-managed productive activity is an area in which Commonwealth governments might fruitfully cooperate more extensively. We have emphasised the role of such initiatives in both developing and developed countries. Recent information gathered by the Commonwealth Secretariat has shown a wide range of initiatives and schemes to promote and support such activity;[1] but the trawl also identified a gap in terms of the very limited availability of data on their key features, which are necessary for assessing their strengths and weaknesses and their applicability elsewhere. *We recommend the creation of a Commonwealth-wide Youth Enterprise Fund, administered by the Commonwealth Youth Programme, to support proposed innovative initiatives by young people.* CYP would evaluate proposed projects designed to create self-managed productive activity, provide grants to those which offered potential for replication and adaptation by others, and disseminate information on the experiences gained. Provided that Commonwealth governments could generate the necessary finance, CYP's Youth Project Fund would provide a basis for such activity. We believe that suitable demonstration projects, including those using appropriate technology, might attract external finance (and we understand that CYP is, in fact, working on these possibilities). We recognise that most of the funding would have to come from the same sources that currently support CYP and other Secretariat initiatives. Nevertheless, we believe that Commonwealth governments might find this proposal a particularly attractive one, especially if the Fund were strengthened through the participation also of non-governmental organisations such as Trusts and Foundations, and the private sector, as well of course by young people themselves.

3. Conclusion: Towards a Youth Entitlement

4.109 We have earlier argued for a general commitment and a moral underpinning to be given by government to youth policy. We suggest that a higher priority be accorded to youth in the form of a 'Youth Entitlement'. The basic principle of a 'Youth Entitlement' would be to recognise the need of young people for a role and status in society and to ensure that all of them are given adequate preparation for adult working life. An 'Entitlement' would cover the set of services and institutional arrangements which together would enable youth to make informed choices and so move smoothly and easily through school and into the world of work. These services include: education, with particular reference to the relevance of curriculum both to work prospects and to enterprise in general; career guidance and counselling; labour market information; work experience opportunities; basic training linked to life skills instruction; access to further education and skills training opportunities; availability of validated and generally recognised credentials covering all skills and occupations; and access to support in alleviating the ill-effects of unemployment. The 'Entitlement' would be public acknowledgement of the special place of youth in society and of the importance and value of these services as an element in public policy and public expenditure.[1]

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[1] They include Entrain in Britain (which is promoting enterprise training modules in the Youth Training Scheme); the Community Improvement by Youth Scheme in South Australia; the Ontario entrepreneurial studies programme in Canada; and various initiatives in developing countries designed to link education with productive enterprise.

4.110 This is not a matter for central direction. The responsibilities of government should be limited to providing assistance to youth so that they can make the transition successfully; in the end, young people must make their own choices and take their own decisions. Nor do we underestimate the difficulties which action of this kind might cause for governments of developing countries; the poorer among them may not yet be in a position to provide even universal primary education, let alone secondary or higher education, and most job opportunities will arise in agriculture or the informal urban sector where self-employment is the norm.[2] But, whilst recognising that not all governments are at present in a position to commit themselves fully to a programme of the type we are suggesting, we do believe that it is something to which, in the fullness of time, they should aspire. We also believe that they should now consider starting to lay the building blocks so that the programme can be introduced in an incremental fashion over a number of years. Essentially, we argue that in all countries, there is a need for governments to make an enhanced practical commitment to youth in order to imbue a vital section of society with greater hope for a more secure and worthwhile future.

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1. We thought it noteworthy that the EEC Commission recently (March 1987) proposed to the Council of Ministers the adoption of a programme to train and prepare young people for working life. Under this proposal the European governments would ensure that all 53 million or so 15 to 24 year-olds within the Community would be given the opportunity of having one year, or possibly two years, of training, if they so desired, after their required period of schooling.

2. Indeed we recognise that probably the best way to promote youth employment in this sector would involve quite different forms of assistance such as the provision of free or subsidised credit or production inputs, especially tools and equipment, together with suitable training (see paras 4.26–4.29).

Appendix 1

Terms of Reference of the Expert Group

1. Analyse, on the basis of examination of selected countries' experience of youth employment and unemployment, factors which have caused unemployment among young men and young women to rise or remain a serious problem during recent years.

2. Assess whether these factors are likely to persist or are amenable to change and consider prospects in the light of demographic, technological, social and other trends, the evolving role of women in development and society, and changing expectations and aspirations of young people.

3. Evaluate effects of youth unemployment, economic, social and personal, and the limitations it places on the capacity of young people to participate fully in the economic and social development of member countries.

4. Examine the government policies and other measures which have been adopted to reduce youth unemployment, including special direct measures as well as education and training, and consider their effectiveness and the possibilities of wider adoption in the Commonwealth of those which have been particularly beneficial.

5. Identify and assess the role which can be played by non-governmental organisations, and by private firms, trade unions, employers' associations, etc in reducing youth unemployment.

6. Identify the assistance and advice available to member countries from intergovernmental and other international organisations and consider the use made of it.

7. Report to Commonwealth Governments recommending specific means to assist in reducing youth unemployment in member countries on a sustainable basis and to help young men and young women themselves to realise their full potential.

Appendix 2

Surveys on Youth Unemployment

1. Two surveys were conducted to ascertain perceptions of the youth unemployment problem in different parts of the Commonwealth. One was a field survey of youth, in which an identical questionnaire was administered to young people in Barbados, Fiji, India and Nigeria. The other was a postal survey of persons active in the youth field who were on the mailing list of the Commonwealth Youth Programme (CYP) Quarterly News Service. The main findings of these surveys supported our own view of the youth unemployment problem, notably the importance of training and of economic policies and programmes aligned to employment-creation. A summary of results of each survey follows.

I. FIELD SURVEYS OF BARBADOS, FIJI, INDIA AND NIGERIA

2. The field surveys were conducted during the first quarter of 1987. In each country a sample of youth, aged 15–24, was drawn at random, using a household survey approach. The sample was equally divided (approximately) between male and female, and urban and rural locations, except for Barbados, where the proportion of respondents from urban areas was 84 per cent, due to population structure. The sample in India was drawn from five urban and 16 rural areas, and questionnaires were administered in six local languages. The sample in Nigeria was drawn from Imo, Kaduna and Oyo States. The sample size in each country was approximately 1000, except in India where it was approximately 2000. Full-time students were excluded from the survey. The questionnaires were administered by interviewers employed by a survey agency or university institute. The questions covered selected characteristics of the respondents (level of education completed, vocational training, work status over the previous week and past work

history) and their views on the causes and effects of youth unemployment, 'successful' and 'unsuccessful' government policies or programmes, suggestions for government action, 'successful' and 'unsuccessful' activities by non-governmental organisations and suggestions for action by agencies other than government.[1]

Characteristics of the Respondents

Work status

3. The concept of 'work' and thus of 'work status' has various problems of definition which limit the significance of responses on this topic. There is, nevertheless, cause for disquiet from the evidence that interviewers assigned most respondents—67 per cent overall—to the category 'unemployed or underemployed'.[2] Only 17 per cent (Nigeria) to 42 per cent (Barbados) of males were in 'satisfactory' employment, and only 9 per cent (India) to 20 per cent (Barbados) of females. The category 'not available for outside work' accounted for less than 20 per cent of respondents, except among Indian females, of whom 35 per cent were in this category. Replies to a subsequent question relating to work-history since completion of full-time studies or entry into the labour force, indicated that for most respondents (over four-fifths of males and of females in each country), current work status was typical of their previous experience. These figures indicate a high degree of personal awareness of the youth unemployment problem, as most respondents were experiencing or had experienced unemployment or perceived under-employment. (Constraints of survey design prevented a more detailed analysis of actual work activities.)

4. Respondents were asked 'Have you ever received vocational training to prepare you for a particular kind of work?' with possible answers being 'Yes, at school (or university)' and/or 'Yes, after leaving school' or 'No'. Few considered that they had received such training at school, the highest proportion of positive responses being from Fiji (21 per cent for rural males). The proportion of youth who had received post-school vocational training was highest in Barbados (36 per cent for urban males). Thus a majority had never had any training.

5. A majority of those who had received some vocational training stated that they had used it at sometime, either in employment, in family

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[1] Many respondents were unable to answer the questions about 'unsuccessful' programmes and these questions are not further considered here. The considerable numbers also unable to name 'successful' programmes or offer suggestions for future action may be indicative of a failure of information policies in this area.

[2] 'Overall' figures here and below, used as a convenient way of summarising the survey findings, were calculated by giving equal weight to each sub-group of respondents as defined by country and sex. 'Underemployed' were defined as persons working less than 30 hours during the previous week or earning less than the local daily rate for unskilled work or earning less than 'appropriate' to their skill level.

activities or in some other way. It may be noted that in all four countries, a little over half of the females in the category 'Not available for outside employment', who had received training, stated that they had utilised it in family activities; in India another 5 per cent had used it in 'self-employment'. This suggests the importance of developing better school and post-school/out-of-school programmes relevant to productive activities in the home and local setting. The substantial proportion of respondents, both male and female, in the category 'unemployed or underemployed', who had utilised their training in either 'self-employment' or family activities (40 per cent overall, ranging from 20 per cent for males in Barbados to 65 per cent for those in Fiji) supports this conclusion.

6. There was considerable interest in receiving possible future training in agriculture and crafts. An overall average of 61 per cent of males and 39 per cent of females were willing to undertake training in agriculture; while for 'craft training', the corresponding figures were 57 and 67 per cent, respectively. It would seem from these results that there might be a good uptake for any well-conceived training programme for young people in these areas.

Views on Youth Unemployment

Causes of youth unemployment

7. Young people saw economic factors as the predominant cause of youth unemployment, these factors accounting for about half of all specific replies. Typical replies to the question 'What do you consider to be the main cause of unemployment?' were 'not sufficient work', 'lack of jobs' or 'more people than jobs'. Weakness of the economy or of economic management was also mentioned. Lack of education and training opportunities together with employment entry difficulties were also seen as important, as in some cases was lack of personal 'influence'. A particular problem in Barbados was the frequently encountered requirement for job-applicants to have previous experience, which those newly entering the labour force do not have.

Effects of youth unemployment

8. Some respondents noted that lack of spending money due to unemployment embarrassed young people in front of their friends, leading to frustration and a sense of inferiority or to crime. The most frequent replies to the question 'What do you consider to be the worst effect of youth unemployment on young people?' were 'crime', 'stealing', 'vandalism and crime', 'drug abuse' etc. (Table 1, page 133). Other replies under the category of 'social' effects included prostitution and teenage pregnancies. 'Social' effects accounted for a half or more of

all the specific replies given. Frustration and other personal or psychological effects were highest among Indian females.

'Successful' government policies or programmes

9. Many respondents were unable to name any policy or programme that had been successful in reducing youth unemployment. In answer to the question 'Can you name a government policy or programme to reduce youth unemployment that has worked well?', over half of the Indian respondents and over one-third of those elsewhere replied 'don't know' or 'none' (or occasionally 'none has been successful') or failed to give a clear reply. Respondents in Barbados overwhelmingly identified 'skill training' as the most noteworthy government programme, and training featured strongly in responses from Fiji also. Economic measures and programmes relating to employment-creation were cited favourably by respondents in Nigeria, India and Fiji (Table 2, pages 134–5). Broad economic policies were cited by (a weighted average of) 11 per cent of all respondents, economic policies relating directly to employment-creation by 16 per cent, and policies relating to education/training/guidance by 26 per cent.

Suggestions for government action

10. In reply to the question 'Can you suggest a programme or policy that the government might introduce to reduce youth unemployment?', almost all respondents in Fiji and Nigeria offered suggestions, with lower response rates elsewhere[1]. Respondents from Barbados again focused on 'skill training', and also on the need to give young people a chance of work-experience or on-the-job training, since employers tended to advertise for persons with previous work experience. Enhanced opportunities for training, and to a lesser extent for vocationally-oriented programmes in school, also featured prominently among responses from Fiji. Among suggestions for action in the economic sphere were the opening (or re-opening) of more factories, the availability of credit and the creation of more opportunities for youth in self-employment or agriculture (Table 3, pages 136–7). Overall, the proportion of respondents citing the need for action in terms of broad economic policies was 25 per cent, while for economic action directly generating employment the average was 20 per cent. The average for citations in the field of education/training/guidance was 24 per cent.

Non-governmental programmes

11. Comparable questions were asked relating to non-governmental programmes. There was a higher proportion of 'don't know' responses

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[1] Such variations may reflect differences in survey technique, as well as in national circumstances.

to these questions, but otherwise the pattern of responses was broadly similar to those for government programmes.

II. POSTAL SURVEY OF RECIPIENTS OF CYP NEWS SERVICE

12. The purpose of this survey was to gather views on the problems of youth unemployment as perceived by 680 recipients selected from the mailing list of the CYP News Service. In October 1986 the recipients were asked to complete a questionnaire on their own behalf and also, where possible, to present the views of any youth group with which they might be associated. Sixty-three completed questionnaires were returned to the Secretariat, of which 44 represented the views of individuals and 19 the views of groups; 29 responses were from Africa, 8 from Asia and the Pacific, 6 from the Caribbean, 3 from the Mediterranean and 17 from the developed countries. Most individual respondents were adults involved in youth affairs. Fourteen (32 per cent) were female; most resided in urban areas.

13. The questionnaire asked for examples of 'successful' measures, 'unsuccessful' measures, a 'successful' local programme known personally to the respondent, and suggestions for future policy. Space was provided for three examples in response to each question, except that referring to a local programme. Most respondents offered three examples of 'successful' measures or programmes. Less information was provided regarding activities or policies the respondents considered 'unsuccessful', and 19 individual respondents and four groups gave no example under this heading. Thirty-one local programmes were cited, considerably more from respondents in developing than in developed countries, and 144 suggestions were put forward regarding future policy.

14. It cannot, however, be inferred from the relative figures for 'successful' and 'unsuccessful' programmes that respondents necessarily felt satisfied with present efforts. Several respondents pointed out that programmes which they had cited as 'successful' had only a limited impact. For example, schemes which withdrew youth from the labour-force for a period of training or work-experience might be well-organised and beneficial, and would have some impact on published unemployment figures, but did not 'solve' youth unemployment, in that many participants became unemployed again after participating in such schemes. Some respondents may also have found it difficult to criticise programmes initiated by government, especially if they themselves were government employees.

15. The programmes, policies or measures (the terms are used interchangeably here) cited by respondents as 'successful', 'unsuccessful'

or 'recommended' for future action are summarised in Table 4 (page 138). It may be seen that training was mentioned most frequently in each category, while support for small-scale business activities was also prominent in the 'successful' and 'recommended' categories. Responses under the areas of policy action are considered briefly below.

Increasing Work-opportunities for Youth

Macroeconomic policies

16. Policies at the macroeconomic level were cited by several respondents as a principal cause of, and possible cure for, youth unemployment. Thus a British respondent gave 'Monetarism' as his first example of unsuccessful policies while a New Zealand respondent noted that 'all schemes mentioned above have failed to solve unemployment—they cannot work because unemployment is caused mainly by macroeconomic problems'. Suggested remedies included 'economic policies to stimulate industrial growth such as a national investment bank, lower interest rates, better marketing, stable exchange rates and deregulation to encourage efficiency', 'to increase the size of the economy' and 'more planning at the national level'. Respondents from Mauritius and the Virgin Islands noted that the stimulus of a growing tourist sector was creating employment opportunities for youth, in the hotel trade, manufacture of handicrafts, etc.

Employment-oriented economic strategies

17. Economic strategies aligned to employment-creation accounted for 28 per cent of responses regarding 'successful' initiatives, 18 per cent of 'unsuccessful' initiatives and 24 per cent of recommendations for future action. One sub-category here was the creation of employment through *promotion of labour-intensive technologies and use of local resources*. This was suggested by several respondents from the developing countries, as for example, 'Government should encourage labour-intensive programmes and discourage the import of items which can be locally produced' (Fiji) or 'should introduce small industries to process surplus products for export' (Kenya); while the St Vincent and Grenadines Government is commended for 'promoting pilot projects in the art of making chalk, putty and roof tar from local resources'.

18. *Fuller utilisation of the resources of the rural areas*, in particular, was seen by some respondents as having been successful in reducing youth unemployment, as in the government and NGO efforts to provide all-year water supplies in Kenya and the promotion of agricultural production by youth in Uganda. Further efforts in this direction were explicitly recommended by several respondents, as in the proposals from Swaziland for good roads, electricity supplies and communication systems in the rural areas.

19. The introduction of *measures to support the development of small-scale enterprise* featured strongly in survey responses, accounting for about a quarter of all measures reported as 'successful' (18 per cent described in general terms plus 6 per cent in the form of small-scale cooperative enterprise). Support may take the form of a small business advisory centre or an industrial estate. In many instances the key feature is provision of concessional finance, as part of a wider package. Successful schemes were cited by repondents from Britain (government 'loan guarantee scheme' for new businesses), New Zealand (loans to cooperatives set up by unemployed persons), Cyprus (loan subsidies and technical assistance for self-employment), Singapore (subsidy/grant for self-employment), Mauritius (self-help project with low-interest loans and counselling), Ghana (Small-Scale Industries Board soft loans), Botswana (Small Farmers' Project Fund), Zambia (loans to graduates) and the Virgin Islands (Caribbean Development Bank). A respondent from the Calcutta Youth Self-Employment Centre cited three government schemes as 'successful': the Entrepreneurship Development Programme, the Self-Employment Programme and a concessional loan scheme for the very poor. A respondent from Bangladesh sent particulars of three such schemes, including the Grameen Bank scheme for making small grants to the poor. The provision of support for individual, family or group enterprises also featured strongly in the recommendations for future action.

20. The difficulties faced by young people in taking up productive enterprises on their own have led to *group schemes* being developed by governments or NGOs. The Youth Economic Groups established in Tanzania in support of agricultural or craft activities were among those cited as a 'successful' government innovation. Agricultural cooperatives under the National Agricultural Cooperatives Ltd. (NACOL) scheme (settlement and non-settlement) in Ghana were cited as 'successful'. 'Successful' government schemes were also cited by respondents from Mauritius, Uganda and New Zealand. These youth cooperatives or group enterprises often incorporate counselling and technical assistance, grants or low-interest loans, help with marketing etc. They may be associated with a youth club, as in Fiji, where a respondent group received government support for projects in farming, fishing, piggeries, poultry and vegetable cultivation.

Measures to increase employment directly

21. Some respondents mentioned recruitment to *government service* as a past or future approach to reducing youth unemployment. *Public works* were cited in connection with a USAID-supported programme in the Caribbean, and voluntary 'work-camps' in Lesotho. Groups of youth did contract work in New Zealand and Ghana. *Agricultural resettlement schemes* received little support although in Nigeria the

Rivers State scheme was seen as promising after earlier disappointments. *'National service'-type schemes* were noted as unsuccessful by eight respondents; but an equal number rated them as 'successful'.

Preparing Young People for the World of Work

22. This category accounted for 55 per cent of all policies and programmes rated as 'successful', 45 per cent of those rated 'unsuccessful' and 39 per cent of recommendations for future action. There was some mention of *vocationally-oriented schooling* as either 'successful', for example the new '8:4:4' system in Kenya, 'education for self-reliance' in Tanzania and 'continuation schools' in Ghana, or 'unsuccessful'. Respondents in both developing and developed countries recommended a greater degree of vocational orientation in the curriculum. Examples included 'intensive vocational education at all levels' (Kenya), 'school curricula changed to emphasise vocational skills' (Uganda); or 'greater funding of technical and practical education in schools—too much emphasis placed on non-applicable academic skills to the detriment of practical skills for living and employment' (New Zealand). The main emphasis in this section was on *'training'*. Twenty-four respondents from the developing countries offered 44 examples of 'successful' programmes focused on training. A number of other 'successful' programmes classified elsewhere also have a major training component, such as the Youth Economic Groups in Tanzania. Indeed where training is expected to lead on to 'self-employment', a package including continued counselling and concessionary finance, assistance with marketing, etc may be necessary. The 15 negative responses from the developing countries reflected mainly instances where training did not lead to either wage- or self-employment. Suggestions from these countries included on-the-job training, work-experience or apprenticeships.

Organisational Framework

23. Mention was made of the activities of youth groups—some 'successful', some not. Young Farmers Clubs in Lesotho and Swaziland were applauded for 'bringing together young people for farming', for example, whereas in another country this work was said to have been undermined by politicisation. Some respondents suggested that more substantial funding was required for organisations working with youth. There were a number of comments regarding organisational arrangements in general. A successful Canadian federal government programme was described 'which funds any innovative programme demonstration model which reduces unemployment or stimulates job-creation'. The new 'district focus' for rural development in Kenya was also cited as 'successful'. In terms of suggestions, the plea from the Maori respondent for 'people in decision-making positions with flair,

imagination and willingness to try new ideas' is obviously basic. Just as important, however, is the stricture from West Africa that what are needed are not necessarily new programmes but a new effort at effective implementation: 'The national youth policy has good statements of intention which if properly implemented could solve or reduce unemployment, but pitiably, implementation has been sadly ineffective. It seems to me that the area on which the Commonwealth Expert Group should focus its attention is the *implementation* of programmes'.

Responses Relating to Young Women

24. Despite the request to take account of the needs of young women most respondents did not make special mention of women's matters. There were three examples of successful 'income generating'/training projects from Africa, plus three suggestions for more education and training opportunities. 'Political influence' was cited as causing the failure of an initiative to involve women in national policy-making, while 'reform' to counter religious influences on the role of women was recommended in another country. A lady from Belize recommended less sex-stereotyping in employment and training. A respondent from Britain recommended that 'more girls be encouraged to enter "male" vocations', while a New Zealand lady recommended more day-care facilities for children whose mothers wish to work.

Examples of Local Programmes

25. Thirty-one respondents included some particulars of a successful local programme through which youth had gained employment; nine from the developed countries and 22 from developing countries. The programmes were varied in type, including support for small-scale enterprise (six examples) and cooperative enterprise (seven examples) and training (13 examples). The successful Campden Park Industrial Estate in St Vincent and the Grenadines, started in 1973, illustrated another approach and has provided over 800 jobs for young workers. The pattern of responses was thus similar to that for 'successful' programmes, with the main emphasis falling on direct job-creation and on training in productive skills.

Table 1: Effects of youth unemployment cited by respondents

	Percentage of respondents citing specified effect of unemployment							
	Barbados		Fiji		India		Nigeria	
	Males	Females	Males	Females	Males	Females	Males	Females
1. *Economic*								
1.1 Lack of money to spend, financially dependent/embarrassed	17	14	13	14	5	5	3	2
1.2 Other				1	3	1	1	1
Sub-total	17	14	13	15	8	6	4	3
2. *Personal/psychological*								
2.1 Frustration	3	3	2	6	6	6	4	4
2.2 Depression		1	3	2	3	7	2	1
2.3 Helpless, hard to cope, poor morale, feel inferior	2	3	10	9	3	4	3	3
2.4 Other	1		1	3	1	7	1	2
Sub-total	6	7	16	20	13	24	10	10
3. *Social*								
3.1 Crime	31	29	55	45	31	26	65	54
3.2 Drug abuse	18	29	1	1	2	5		2
3.3 Crime and drug abuse both mentioned	10	5		1	2	1	1	6
3.4 Prostitution	1	1		1			3	8
3.5 Teenage pregnancies	1	3						2
3.6 'Rejected/neglected by society'			5	7	2		1	
3.7 Other	1	1	1	7	14	7	4	6
Sub-total	62	68	62	62	51	39	74	78
4. *Other*		2	7	2	10	11	2	5
5. *No reply/not clear*	15	9	2	1	18	20	10	4
Total	100	100	100	100	100	100	100	100

Table 2: Government policies or programmes cited as successful in reducing youth unemployment

	Percentage of respondents citing policy or programme							
	Barbados		Fiji		India		Nigeria	
	Males	Females	Males	Females	Males	Females	Males	Females
1. *Economic broad policies*								
1.1 Macro-economic conditions/policy	1		4	3		2	1	
1.2 Support for agriculture/rural areas			1	2	4	1	7	5
1.3 Building more factories (or re-opening), expanding business			3	2	13	11	2	3
1.4 Other		1	2	3	6	3	1	6
Sub-total	1	1	10	10	23	17	11	14
2. *Economic—direct action on employment*								
2.1 Creation of more jobs			3	5	3	2	1	2
2.2 Public sector recruitment			1	1	2	2	1	2
2.3 Making land available to youth, 'back to the land' policies, expansion of agricultural schemes/rural projects for youth			4	3	1		13	11
2.4 Helping youth create jobs, enter self-employment			1	1	7	4	14	12
2.5 Employment in firms, micro-projects						1		1
2.6 Making employers recruit youth lacking experience							1	2
2.7 National Youth Service (non-military) schemes			1	2	1		2	6
2.8 Other	1	1	3	1	3	1	2	1
Sub-total	1	1	13	13	17	10	34	37
3. *Education/training/guidance*								
3.1 Schooling, more or better			4	5			3	2
3.2 Schooling, more vocationally-oriented studies/training	2		6	11		1	1	1
3.3 Schooling, other aspects				2			2	2

Table 2: Government policies or programmes cited as successful in reducing youth unemployment (continued)

	Percentage of respondents citing policy or programme							
	Barbados		Fiji		India		Nigeria	
	Males	Females	Males	Females	Males	Females	Males	Females
3.4 Training, skills/craft training	59	57	13	9	1	2	1	1
3.5 On-the-job training schemes, work-experience schemes	1	1	1	3	1			1
3.6 Agricultural training			1	1			1	
3.7 Training for self-employment				1	1			
3.8 Career guidance			2	1				
3.9 Education/training for girls/women								1
3.10 Other			1	1	1	2		2
Sub-total	62	58	28	34	4	5	8	10
4. *Reducing numbers available for work*								
4.1 Reducing retirement age							1	1
4.2 Less employment of expatriates								
4.3 Population control			1	1				
4.4 Other								
Sub-total			1	1			1	1
5. *Organisational framework*	1	1	6	3			2	1
6. *Other*	1	1	1	2		1		
7. *None/not known, reply not clear*	34	38	41	37	56	67	44	37
Total	100	100	100	100	100	100	100	100

Table 3: Suggestions for Government policies or programmes to reduce youth unemployment

	Percentage of respondents suggesting policy or programme							
	Barbados		Fiji		India		Nigeria	
	Males	Females	Males	Females	Males	Females	Males	Females
1. *Economic broad policies*								
1.1 Macro-economic conditions/policy	1		4	5	2	2	7	3
1.2 Support for agriculture/rural areas				3	2	1	5	4
1.3 Building more factories (or re-opening), expanding business	7	9	15	9	15	17	36	31
1.4 Other		1	1	3	8	3	3	8
Sub-total	8	10	20	20	27	20	51	46
2. *Economic—direct action on employment*								
2.1 Creation of more jobs	4	3	13	13	9	10	4	5
2.2 Public sector recruitment			1	2	3	1	2	2
2.3 Making land available to youth, 'back to the land' policies, expansion of agricultural schemes/rural projects for youth	1	1	6	7	2	2	7	7
2.4 Helping youth create jobs, enter self-employment	2	2	2	2	5	2	6	7
2.5 Employment in firms, micro-projects	1	1	2	1	1		1	1
2.6 Making employers recruit youth lacking experience	1	1						1
2.7 National Youth Service (non-military) schemes				1	1			
2.8 Other		1	1	4	5	2	2	2
Sub-total	9	9	25	30	26	17	22	25
3. *Education/training/guidance*								
3.1 Schooling, more or better	1	1	4	5	1	3	1	2
3.2 Schooling, more vocationally-oriented studies/training	3	2	6	7	5	7	4	3
3.3 Schooling, other aspects	1		1	1	3	1		1

Table 3: Suggestions for Government policies or programmes to reduce youth unemployment (continued)

	Percentage of respondents suggesting policy or programme							
	Barbados		Fiji		India		Nigeria	
	Males	Females	Males	Females	Males	Females	Males	Females
3.4 Training, skills/craft training	17	17	12	9	4	10	4	4
3.5 On-the-job training schemes, work-experience schemes	5	2	1	3	2	1	1	
3.6 Agricultural training	1		1	2	1		2	2
3.7 Training for self-employment	1		1		1		1	1
3.8 Career guidance	1	1	2	2	1			
3.9 Education/training for girls/women				1	1			
3.10 Other	1		2	3	1	2	1	1
Sub-total	31	23	30	33	20	24	14	14
4. *Reducing numbers available for work*								
4.1 Reducing retirement age		1	5	4			2	5
4.2 Less employment of expatriates								1
4.3 Population control			2	1	4	2	1	1
4.4 Other			1	1			1	
Sub-total		1	8	6	4	2	4	7
5. *Organisational framework*	2	2	6	3				2
6. *Other*	2		3	2	2	3		1
7. *None/not known, reply not clear*	48	55	8	6	21	34	9	5
Total	100	100	100	100	100	100	100	100

Table 4: Frequency with which policies and programmes were mentioned as 'successful' or 'unsuccessful' in reducing youth unemployment or were suggested as ways of reducing youth unemployment

Number of responses

	Successful	Unsuccessful	Recommended
I. *Increasing work-opportunities*			
1. Macro-economic policies	1 (1)	5 (1)	9 (4)
2. Employment-oriented strategies (indirect)			
2.1 Labour-intensive technologies/use of local resources			8 (7)
2.2 Rural development	7 (6)	5 (4)	7 (6)
2.3 Small-scale enterprises (loans and other support)	28 (23)	9 (9)	17 (16)
2.4 Cooperative enterprises	9 (7)	3 (3)	3 (3)
3. Direct measures			
3.1 Public sector employment/public works	7 (5)		7 (3)
3.2 Agricultural resettlement	2 (2)	9 (9)	4 (4)
3.3 Community service/national service	9 (8)	10 (10)	3 (2)
II. *Reducing the growth in job-seekers*			
1. Reducing population growth			1 (1)
2. Early retirement		3 (3)	3 (2)
3. Work-sharing		1 (0)	3 (0)
III. *Preparing young people for the world of work*			
1. Vocationally-oriented schooling	8 (6)	4 (3)	17 (10)
2. Post-school training, skills/craft training	69 (44)	33 (15)	28 (23)
3. Employment information, guidance and counselling	5 (2)	2 (1)	4 (2)
4. Other	4 (3)	4 (3)	7 (5)
IV. *Organisational framework*			
1. Central coordination	1 (1)	4 (3)	13 (11)
2. Youth organisations	4 (4)	3 (3)	5 (5)
3. Other NGOs			3 (3)
V. *Other*	3 (3)		2 (1)
Total	157 (115)	95 (67)	144 (108)

For 'Notes' see next page.

Notes (1) This table shows the responses made by the 63 respondents to the requests: 'Please list here *three* major measures or programmes that you feel have been very effective in combating youth unemployment in your country' (column 1); 'Please list here (if possible) three major measures or programmes that have been tried and that you feel have been ineffective in reducing youth unemployment' (column 2); and 'What three measures would *you* recommend to fight youth unemployment in your country?' (column 3).

(2) Figures in brackets give the sub-totals of responses from developing countries only.

Appendix 3

Commonwealth Expert Group on Youth Unemployment

List of Members

Mr Peter Kirby (Chairman)	Deputy Director-General, Department of Labour, Government of Victoria, Chairman of Committee of Inquiry into Labour Market Programmes, 1984.
Dr V. P. Diejomaoh	Chief, Jobs and Skills Programme for Africa, ILO Regional Employment Team for Africa; formerly Director, Nigerian Institute of Social and Economic Research, University of Ibadan and Chairman, Nigerian National Manpower Board.
Dr Te'o I. J. Fairbairn	Research Associate and formerly Acting Director, Pacific Islands Development Programme, East-West Centre, Hawaii; Senior Economist, South Pacific Commission, Noumea, and Senior Planning Adviser, UNDP Western Samoa and Cook Islands.
Dr Dharam Ghai	Chief, Rural Employment Policies Branch, Employment and Development Department, ILO; formerly Director, Institute for Development Studies, University of Nairobi, Kenya.

Mr Andre Juneau	Director-General, Policy and Program Analysis, Department of Employment and Immigration, Canada.
Dr Azizur Rahman Khan	Senior Economist, Country Policy Department, World Bank; formerly Chief of ILO's Asian Employment Programme, Bangkok.
Dr Joycelin Massiah	Head, Institute of Social and Economic Research (Eastern Caribbean), University of West Indies, Barbados.
Sir Richard O'Brien	Chairman, Policy Studies Institute; Chairman, Archbishop's Commission on Urban Priority Areas, 1983–85; formerly Chairman, Manpower Services Commission, UK Government.
Dr Prannoy Roy	President, The Policy Group; Economic Adviser, Department of Economic Affairs, Ministry of Finance, Government of India.
Mr Carl Wright	Director, Commonwealth Trade Union Council.

Commonwealth Secretariat

Sir Peter Marshall	Deputy Secretary-General (Economic)
Economic Affairs Division	
Dr B. Persaud	Director and Head (Secretary of the Expert Group)
Dr J. V. Cable	Special Adviser
Mr I. R. Thomas	Assistant Director
Mr M. A. Cobban	Chief Economics Officer
Ms S. E. Hyne	Senior Economics Officer

Commonwealth Youth Programme

Mr R. G. Gomez	Director
Mr A. G. Lawton	Chief Project Officer

Education Programme

Mr P. R. C. Williams	Director

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JOBS FOR YOUNG PEOPLE
A Way to a Better Future

We must conclude by warning that the severity of youth unemployment problems today pales to insignificance beside those which could be faced in the future . . . in developing countries.

These countries face a pattern of escalating proportions. Their youth population is projected . . . to rise by more than 125 million (over 16 per cent) by the end of the century. In Africa . . . the youth population could triple over the next forty years. The population increase in urban areas might be even more dramatic since the natural increase could continue to be augmented by rural-urban migration. By 2000, half the youth of developing countries could live in cities . . . . There will be a massive increase too in the number of educated youth. School enrolment in developing countries has grown from 400 million in 1970 to 650 million today and is spreading fast despite severe resource constraints.

The prospects are, in one sense, alarming. But, looking to the future, the energies and economic potential of youth should be seen positively as a potentially dynamic element in growing economies rather than merely as a 'problem'. If societies are willing to invest in youth it will repay that investment many times over.

From the Report

Unemployment involves wasted resources, but it is also a wider human problem. The loss is not just economic. Youth is a period of transition from childhood to adulthood, of energy and of willingness to learn and to serve. With work, this can be directed towards a common benefit; without work, it is dissipated or even channelled into anti-social behaviour.

From the Foreword by the
Commonwealth Secretary-General

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